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# ***JPRS Report***

## **East Europe**

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# East Europe

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## BULGARIA

### Continuing Repression of Turkish Minority Seen

90EB0172A Stockholm DAGENS NYHETER in  
Swedish 24 Dec 89 p 6

[Article by Goran Ahren: "Helsinki Committee on Turkish Bulgarians: Continued Political Oppression"; first paragraph is DAGENS NYHETER introduction]

[Text] The Moslem Turkish-Bulgarians are still persecuted in their homeland. That claim is made by Gerald Nagler, secretary general of the International Helsinki Committee, who just returned from a trip through the villages of southeast Bulgaria.

"The discrimination has not ended. It is serious and continues undiminished," he said.

The people in the villages are not allowed to use their own language. They are not allowed to practice their religion or their traditions, and children are exhorted to inform on their parents if they do not speak Bulgarian in the home.

The Bulgarization campaign is so consistent in its linguistic oppression that they not only changed the names of all Turkish-Bulgarians, they even painted out the names on the gravestones.

"We were able to confirm that they painted over the names on gravestones. They also changed the names of people who are already dead," said Gerald Nagler.

#### UN Definition

In Gerald Nagler's opinion, Turkish-Bulgarians who flee from that are refugees according to the UN definition.

"Yes, I believe so. Naturally an individual test must be made, but according to what I have seen they should be regarded as political refugees."

The delegation concluded after its trip that it soon became worse for the Turkish-Bulgarians after the refugee wave to Turkey. Now they are regarded as traitors when they return home.

Many of them were used by the Bulgarians who forced them to talk about how badly they were treated in Turkey, that they were assaulted, starved, and their wives were raped.

"They were subjected to political violence. They were forced to make all possible kinds of statements to get their jobs back."

Gerald Nagler is the secretary general of the organization which is entirely independent of all governments and has offices in 17 countries.

They were the first international organization to get permission to visit the Moslem Turkish-Bulgarian villages in southeast Bulgaria.

"Despite Bulgarian assurances that there is no discrimination taking place, we ourselves could confirm that nothing has changed," said Gerald Nagler, who led the group himself.

Discrimination and persecution take many forms. Bulgarians are appointed as teachers and police in the villages, and the villagers are not allowed to speak Turkish. The children cannot speak Turkish with their parents, and many of them cannot speak Bulgarian. Furthermore, the children are urged to inform on their parents if they speak Turkish at home.

#### New Names

Religious ceremonies are opposed. Circumcision for example, which is important for all Moslems, cannot take place in accordance with tradition. Turkish-Bulgarians are not allowed to wear their traditional clothes.

All names are changed from Moslem to Bulgarian names. And this is still happening, according to the delegation.

"We can only confirm that the situation is bad in these Turkish villages," said Gerald Nagler.

"They assured us that all areas were open to foreigners. But we quickly confirmed that large areas were closed to foreigners, and we could only enter those areas after violent discussions with the authorities.

"Because of the entirely idiotic Bulgarization campaign, and what happened when Turkey first allowed them in and later could not control them, and a number of them were forced to move back, the situation has become worse than before.

"Nothing has changed out in the villages just because Bulgaria has a new government in Sofia."

Aggression between groups has increased.

Between 1,000 and 1,100 asylum-seeking Turks from Bulgaria who have been on a hunger strike since last Wednesday in protest against Sweden's strict asylum laws ended their action at twelve o'clock on Saturday. The Turkish-Bulgarians do not believe that they have anything more to gain by continuing to refuse food, and they say that they do not wish to disturb the Swedes' Christmas celebration.

The collective protests by the Turkish-Bulgarians have not brought about any change in the judgment of the authorities about the situation in Bulgaria and the treatment of the Turkish inhabitants there.

## HUNGARY

**Broader Implications of 26 November Referendum Analyzed***25000573 Budapest HETI VILAGGAZDASAG in Hungarian 2 Dec 89 p 7*

[Article by Endre Babus: "Voting Contest"]

[Text] Although the "yes party" coalition won with only a bare majority of 50.1 percent over the Hungarian Socialist Party's [MSZP] viewpoint (49.9 percent), no single political force can claim the results of Sunday's referendum as a victory. The Alliance of Free Democrats [SZDSZ], the organization which initiated the popular referendum and which based its campaign on denying any identity with the past 40 years, must confront the fact that aside from having scored a victory in regard to the presidential elections, many people did not regard this occasion as most appropriate to delimit themselves from the old system. Despite the slogan: "whoever stays at home casts a vote for the past," in the end some 3 million people (42 percent) did not take part in the referendum. Sunday's results do not flatter the Hungarian Democratic Forum [MDF] in particular: They called for a boycott of the referendum. The MDF, the largest opposition grouping, was unable to persuade the majority to manifest passive resistance, despite the fact that the politically indifferent, or in some way impeded stratum—presumably numbering several hundreds of thousands of people—willingly or unwillingly increased the MDF's base of support. Mildly put: A watchword coined with bad taste ("whoever is Hungarian stays home") most likely played a role in the MDF fiasco. That slogan was published in the organization's weekly newspaper and on flyers. It probably compromised the MDF position even in the eyes of some who would have sympathized with the idea of a boycott.

The Hungarian Socialist Workers Party [MSZMP] which agitated for "Four No" votes also registered a spectacular fiasco, because it was able to enlist the support of only five percent of the voters in regard to the last three questions that were so important from the party's standpoint. This seemingly insignificant minority view nevertheless signals that there are still some 200,000 people in Hungary who support the renewed organization of the Workers Guard. And finally, the MSZP had to swallow a bitter pill represented by the depoliticizing of workplaces in the eyes of a majority of socialists. True, the MSZP agreed to this decision as a matter of obligation when the party law was approved, and it stuck to this view in the course of the referendum fight.

At the same time, the viewpoints of some opposition forces appeared to have changed in the course of the campaign. While at the outset the MDF made participation in the referendum a matter of conscience to its members, and then, in response to the heated political battle, it announced the "stay away" slogan, in the course of the campaign the SZDSZ appeared to have

gradually retreated in regard to its position of principle concerning the election of the president by Parliament. Apparently the free democrats took the public mood into consideration, and showed increasingly less resistance to the idea of a presidential election based on "popular vote," following the parliamentary elections. At Monday's press conference held by the "yes party" organizations, the SZDSZ representative clearly raised the possibility that due to the extremely close race the country may directly elect a president after the new National Assembly is convened.

The signature drive that lasted two months, as well as the referendum, brought about significant changes in the distribution of Hungarian political power. Most recent—early November—public opinion polls prove that with its spectacular political offensive initiated in mid September, the SZDSZ broke out of the ghetto of being the midget party of the radical intelligentsia. The free democrats enjoyed only a three to six percent voter support between May and early November, and for this reason in certain periods they could not be certain of being able to accede the four percent vote threshold needed to be seated in Parliament. In the course of a month, by early November, they had increased their influence to a nine percent level. This means that following a low point recorded in mid July when the SZDSZ ranked eighth among the parties, it now occupies the third place, immediately following the MDF and the MSZP, which command 27 and 26 percent of the support respectively. Independent of the outcome of the referendum, this development made the 26 November referendum by all means a successful event for the SZDSZ, and even more so because in barely two months the membership of the free democrats had increased significantly, from 4,000 to 6,000.

**Television-Radio Supervisory Committee Established, Criticized***25000574 Budapest HETI VILAGGAZDASAG in Hungarian 2 Dec 89 p 17*

[Text] The Committee to Supervise Hungarian Radio and Hungarian Television had not even come into being when suspicious accusations could be heard that the committee is none other than a mass communication Next 2000, an attempt to salvage hands-on media control. And all this was not improved by the fact that members of the committee were "contributed" by several parties and organizations. That is, the threat exists that with the advent of the new organization, the large media may change from being the mouthpiece of a single party into a theater of political battles, a situation which may be detrimental to the national character desired and emphasized by many. Not to mention the fact that the Committee has a multiparty character only from a quantitative standpoint; the qualitative aspect leaves much to be desired. The Alliance of Free Democrats [SZDSZ], the Association of Young Democrats, the Social Democratic Party [MSZDP], and the League of Trade Unions are not represented. On the other hand, it

is true that the Patriotic People's Front [PPF], the National Council of Trade Unions [SZOT], the Cultural Chamber, and the Catholic Church each delegated a member. And a coordinator as well as "independent" experts participate in the committee's workings strictly as representatives of the government. Three slots were still vacant at press time, and it remains a big question in what direction the subsequent arrivals will "balance" the committee.

Establishment of the committee, which took place as a virtual coup d'etat, was followed by an instant flood of protest. Along with the SZDSZ, FIDESZ [Association of Democratic Youth], and the MSZDP, the Openness Club firmly objected to the personnel composition, size, and authority of the Committee. In regard to this issue, the Openness Club may be regarded as competent and nonpartisan. Rumors are that making contact with the "supervisors" served as the last drop in the bucket: It lead to the resignation of TV-1's program director.

Most challenges pertained to the person of Ferenc Kohalmi, who acts as coordinator, and involved the allegation that the membership is under the influence of a pro-Pozsgay outlook. This is true, even though film chief director Kohalmi, a presidium member of the Hungarian-Soviet Friendship Society, became a member of the committee "by no fault of his own." Having recognized that being active on the committee could not be reconciled with his candidacy for the office of the president of the Republic, State Minister Imre Pozsgay—also in charge of media affairs—surrendered the opportunity to supervise the mass communication media and tried to transfer that authority to Minister of Culture Ferenc Glatz, according to well informed sources. Although Glatz did not accept the assignment, he was unable to evade the flattering request without considering Kohalmi—perhaps on a movie-movie basis?—to be most competent to develop a concept with regard to this issue. From that point on Kohalmi had a clear path to becoming the coordinator.

According to critics, the theoretical multiparty character of the committee did not produce equal opportunity: Kohalmi, along with Ferenc Kosa, Hungarian Socialist Party [MSZP] presidium member; and Jozsef Zelnik (Cultural Chamber); Laszlo Bogar [PPF]; Mihaly Bihari; and Gyorgy Szilvassy, Committee secretariat head, is an ideological ally of Pozsgay.

Even if the personal decency of the candidates is not being questioned, the professional competence of the committee is challenged by many. Critics object to the fact that the committee's membership includes only one journalist, and he is not really well known at that. On top, a few of the committee members are not known personalities even in their "civilian" professions, and there are some whose names were heard for the first time in this instance by both the opposition and the professionals. Their only excuse is that they perform the function in their newly established posts as a secondary

job, and for this they receive modest pay: the (gross) amount of 20,000 forints per month.

Most likely, however, this matter will not reach a boiling point in the skirmishes surrounding the committee's establishment. According to present perceptions, the committee will stay in place until the parliamentary elections, and thus it may play a decisive role in judging and formulating the nonpartisan character of the campaign. Perhaps it is for this reason that the three "outsider" opposition parties, as well as the Openness Club, urge the establishment of an information committee that has five members at most, and is truly nonpartisan, or is composed exclusively of party outsiders and respected professionals. This concept is based on a far less hastily concocted idea than was the committee that was established in haste. In this regard, participants of the "national triangle" negotiations—including those who established the present committee—reached an agreement several months ago.

#### The Committee To Supervise Hungarian Radio and Hungarian Television

Name	Nominating Organization	Occupation
Balint, Attila	SZOT	Press secretary
Bihari, Mihaly	Government	Political scientist
Bogar, Laszlo	PPF	PPF secretary, economist
Domonkos, Istvan	Friends of Bajcsy-Zsilinszky Society	Pensioner
Fabian, Janos	Catholic Church	Canon
Karcsay, Sandor	Christian Democratic People's Party	Lawyer
Kohalmi, Ferenc	Government	Chief film director
Kosa, Ferenc	MSZP	Film director
Molnar, Tamas	Smallholders Party	Journalist
Szeredi, Pal	Hungarian People's Party	Historian
Timko, Ivan	Hungarian Democratic Forum	Lawyer
Zelnik, Jozsef	Cultural Chamber	Philosopher

## POLAND

### POLITYKA Weekly News Roundup

90EP0165A Warsaw POLITYKA in Polish  
No 46, 18 Nov 89 p 2

[Excerpts]

#### National News

[Passage omitted] Premier Tadeusz Mazowiecki on Independence Day made a speech to the nation on television and radio. He asked the miners to work on their free Saturdays for now while the nation is facing a difficult energy situation, and coal production has

declined more than 13 million this year. (On 7 November 1989, the opinion of Waldemar Kuczynski was quoted in the French daily LE MONDE. He is according to the paper "the first advisor of T. Mazowiecki," who has also taken up this subject: "Production of coal is falling because the miners have received their free Saturdays. I understand them, but it causes economic difficulties. We are probably not producing enough coal to export it to the Soviet Union in exchange for crude oil. The economic situation," Kuczynski says, "is similar to the one in 1981 preceding the introduction of martial law." [passage omitted])

GAZETA WYBORCZA has printed the first comments supporting the appeal by Premier Mazowiecki. Marian Krzakiewski, an adjunct at the Slask Polytechnic, deputy chairman of the Slasko-Dabrowski Region of Solidarity: "In discussions at the roundtable, the voluntary nature of the free Saturdays was a key issue. In the current situation, I think, however, that we all support the appeal by premier Mazowiecki. Perhaps even the miners will want to work one Saturday for free. We must be convinced that there is an actual shortage of coal. Solidarity will want to conduct an independent survey of coal production."

The second congress of the Polish Peasant Party was held on 11 November 1989. Franciszek Kaminski, a senior member of the peasant movement, a former commander of the Peasant Battalions, a general in the Polish Army, was elected president.

In a television speech, Jacek Kuron responded to letters from former members of the Home Army who are not benefitting from certain privileges because they have not received combatant cards: "And they did not receive them because they were either sitting in prisons in the People's Republic of Poland, or they were tried and sentenced, or they were active in other armed organizations after the war. We must say openly that it was a civil war which we are now ending. And all veterans of this war are due equal rights. Obviously, these rights cannot extend to those who tortured, for example, officers during interrogations or prison guards. I am speaking of the soldiers of this war on both sides; they must be recognized as veterans." [passage omitted]

The Slask weekly TAK I NIE on the return to work of former employees of the local television station released after the verification in 1981-82. "In Katowice," writes Leszek Michalski, "which was described as releasing people without pardon and without any opportunity to explain themselves, so far one person has reported." The individual returned to work beginning 1 November 1989.

The Solidarity Factory Commission at the Ursus Mechanical Plants announced a strike warning. The point was to make possible an increase in the price of tractors. (Beginning on Monday, their prices increased 50 percent; the lightest now costs 10 million zloty.)

The PRON National council ended the operations of the movement. In a letter to the members of the Council, President Wojciech Jaruzelski conveyed "his respects and sincere thanks for its activities" and the hope for further support in the essential steps toward reform. The government daily RZECZPOSPOLITA titled a report on the ending of PRON's activities "We depart without honor." [passage omitted]

The PZPR Central Committee Politburo in a communique published a week ago "expressed concern at the increasing group pressures to remove voivods and higher bureaucrats of the local administration without substantive justification."

A PZPR Fund is being formed. "Individuals, institutions, and organizations can make voluntarily contributions" to it. "The fund will also accept gifts, inheritances, and bequests." One of the goals of the fund is to support party members and nonparty individuals, who "due to their political convictions are forced to seek work." The account number: PKO—State Bank, the 15th Branch in Warsaw, for zloty no 1658-2974-189-99; for convertible-currency no 1658-2974-151-6787.

The SD has approached a couple of political organizations with the idea of forming a national democratic forum. Krzysztof Krol in the name of the Confederation for an Independent Poland, Jan Jozef Lipski in the name of the Polish Socialist Party, and Maciej Letowski in the name of the Labor Party all rejected the invitation saying, among other things, that the SD "has so far made no declaration that would show that it can be a credible partner for democratic allies."

The Solidarity National Executive Committee has adopted a resolution calling for the formation of a limited partnership with an initial capitalization of 100 million zloty; Solidarity will be one of the partners. During the discussion at the meeting of the National Executive Committee, objections were raised to the proposed holding company and to the Solidarity Economic Fund. Grazyna Stanisewska (we quote GAZETA WYBORCZA) said: "We are creating a large centralized structure which will issue permits for several thousand partnerships, centrally supervise them and centrally collect the money. We are creating the kind of structure with which our government is struggling in the cooperatives."

The Sejm Foreign Relations Commission interrogated Stanislaw Ciosek, former PZPR Central Committee secretary, a candidate for the post of ambassador to the Soviet Union. The Commission which is chaired by Bronislaw Geremek, approved the candidacy. [passage omitted]

#### On the Left

[Passage omitted] The new secretary general of the Bulgarian Communist Party is Peter Mladenov. Todor Zhivkov resigned.

The miners' strike in Vorkut is continuing. Mediation by the minister of mining has produced no results. Representatives of the strikers are to travel to Moscow for talks with premier Ryzhkov. Among their demands are the removal of the clause providing for the leading role of the party from the constitution.

Imre Pozsgay said that the difference between the MSZMP and the new socialist party is great, even if Hungarian public opinion or foreign public opinion has not realized the difference. The program of the Hungarian Socialist Party has nothing in common with the program of the MSZMP. It breaks with the idea of the state, of the party, with the dictatorship of the proletariat and democratic centralism. Attempts will be made to make the view credible that without a leftist party of the European type, peaceful changes in Hungary cannot be made (in an interview for LE FIGARO). [passage omitted]

The removal of the red star from the roof of the Hungarian parliament building has been announced.

A number of independent demonstrations, which were held in many cities of the USSR, accompanied the official celebrations of the 72nd anniversary of the October Revolution. During the official demonstration in Red Square, in which the highest officials participated (and which was much more modest than in the past), there was a counterdemonstration at the Dynamo stadium in which several thousand individuals participated. They demanded a break with the political monopoly of the party. They carried signs with slogans like "72 years of a road to nowhere," "Proletarians of the world forgive us," "Power to the people," "We support a multiparty system." In Kishinev, the capital of Moldavia, there were clashes between several thousand demonstrators and the militia, and the authorities were forced to call off the military parade. The official parades in Tbilisi and Erevan were also called off. There were clashes in Kiev, Vilno, and Lvov. [passage omitted]

During a scientific conference in Vienna on the removal of the effects of nuclear accidents, the Soviet Union officially revealed data on the explosion that occurred in 1957 in a storage area for radioactive and chemical wastes in Kyshtym in the Urals.

At its meeting held under the title "For the Freedom of a Thinking World," the Socialist Youth Union of Slovenia transformed itself into an opposition party. "It is already regarded as the most important opponent of the communist party in the elections to be held in March 1990," writes the AFP. The delegates to the congress wore pins with the phrase "I've had enough," and they made no secret of the fact that their vision of the future has nothing in common with socialist ideology. Like the majority of the other independent political groups that have been formed in Yugoslavia in 1989, the new party will fight for parliamentary democracy, human rights, ecology, and integration into the EEC. It confirms the desire to make Slovenia a demilitarized zone, to end the

compulsory military classes at higher institutions, to introduce substitute military service, and to end military tribunals in peacetime." [passage omitted]

Vaclav Havel on the changes in Czechoslovakia in LE FIGARO: "We are living in a transitional period. We find ourselves at a crossroad. The government and society, each in its own way, sense that something has changed, that a movement has begun in the country. But the authorities still oppose this evolution. As regards society, it does not feel strong enough yet to leap over several stages. Twenty years of repression, demoralization, various manipulations, in a sense have blocked human energy. There is, however, an undercurrent of tension. The country has become like a vat. The experience of 1968 has not been completely forgotten." [passage omitted]

### Opinions

*Stanislaw Ciosek:*

(Interviewed by Jan Lazar, TAK I NIE 20-22 October 1989)

[Question] You have left the leadership of the party; soon you will say goodbye to PRON. You are, however, one of the creators of the new reality, the new system of forces in Poland. Do you not fear something which has not been mentioned and which was not foreseen not so long ago?

[Answer] I fear thoughtless acts might lead to a division of Poland into two categories of citizens, two structures building the same thing and against one another. We need coordinated efforts. The pessimists do not exclude the Lebanonization of the country. I do not go so far, but I think that a sudden acceleration, the course of events, may surprise some, shock them, and push us in the direction of actions that may harm what we have done, what we have accomplished. I am leaving my current political functions with a sense of having fulfilled my responsibilities. I do not feel I have wasted my time. To the contrary, I am a witness to the implementation of an agreement we wanted. A policy of reconciliation, the policy of the roundtable; there is no intelligent alternative."

*Bronislaw Geremek, chairman of the Citizens' Parliamentary Club:*

(Interviewed by Elzbieta Sadowska, TYGODNIK KULTURALNY)

[Question] What is your evaluation of the current structure of government in Poland? Someone compared it to a peculiar layer cake: at the top the Presidential Office, in the middle a multicolored, varied Sejm, then a Senate and government, and at the bottom, a PZPR losing influence and falling apart.

[Answer] I would put it this way: as regards the process at the top, we are dealing with a slow democratization in



which all of the state bodies are participating. I emphasize: all, which means that in the course of the initial period of coexistence the Presidential Office and the president are also playing the role of a loyal partner in the system. On the other hand, if this process of democratization is to survive and bear fruit, a democratization from below must occur and bring help. One that overthrows the method of operation of the local authorities. And thus I think that elections to the local self-governments are a fundamental element of the calendar of political change in Poland.

*Bishop Wladyslaw Ziolek, ordinary of Lodz, and the other three Lodz bishops:*

(From a letter to the city president W. Bohdanowicz, DZIENNIK LODZKI 9 November 1989)

"Your election as president of Lodz arouses our joy and hope for issues of immeasurable importance for our society. Our sincere congratulations to you are all the more justified because your election as the new president of Lodz was supported by a very large number of electors. We also convey our best wishes: God's blessing and for wise, kind advisors, who will understand the declaration which you made yesterday immediately after being elected: 'everything for the city'."

*Jan Rulewski, chairman of the Temporary Board of the NSZZ Solidarity Bydgoszcz Region:*

(Interviewed by Jacek Sowinski, ILUSTROWANY KURIER POLSKI 21-22 October 1989)

[Question] What is the cause of the conflict between the fundamentalists, which you, among others, represent, and Walesa's group?

[Answer] We take the position that the charter must be observed. It above all determines the identity of the union and its officers. In this sense, it means recognizing Walesa as the chairman of the central authorities of Solidarity. The debate lies in Lech Walesa's attempts to direct the union in a commissariat manner using his authority. He uses commissars, letters of authorization, personal rights. The little Walesas in the country, of which there are many, cannot accept this method. They think that the union is their joint property and that they have the same rights as the chairman.

### **Movement of Working People Established, Declaration Issued**

#### **Founding Session Reported**

90EP0191A Warsaw ZWIAZKOWIEC in Polish  
No 43, 22 Oct 89 p 4

[Article by "C": "Movement of Working People"]

[Text] There has been speculation for many weeks that the OPZZ [All-Polish Trade Union Agreement] is preparing to set up political parties. After the OPZZ

Voivodship Committee's famous declaration on 7 September of this year, which among other things included the statement: "The PZPR leadership is no longer providing political assurances for the interests of the working world," people in many circles thought that any day now the trade unionists would announce a new party. For the moment no such thing has happened. It is true that there are new program slogans for a somewhat accelerated rebuilding of the movement, which has intellectual support, but this comes as no surprise. Given the government's promises to rebuild the economy and the state, the trade unions must be prepared for this.

For two days (10-11 October of this year) a group of nearly 40 people at the invitation of OPZZ considered the wisdom of creating a broad front (not a party) which could bring the Polish left together. This was not, as some comrades ready to change their colors would have wished, a group blowing a single trumpet. There were also the harsh voices of people from the Alternative Thinking Movement, young leftists, and people under the OPZZ banner.

A draft declaration was formulated. An important reservation was also stated: The Movement of Working People is not identical to the trade unions. It is a sociopolitical movement which wants to provide strong support and representation for the interests of working people.

The major points of the draft declaration can be reduced to statements such as the following:

Poland is going through a period of changes which will determine its future.

For many years people have been talking about the interests of Poland and Poles. The elite groups of "the great coalition" are also talking about this today. They are proposing further renunciation and belt-tightening to another generation of Poles as the major remedy for all the ills of the present day.

It is high time to prevent this and take our affairs in our own hands. (...) It is our desire to create a society of free working people.

Loss of faith in the future is a real threat to us. No further reforms can work, unless working people can see their own interest in them rather than mere renunciation.

Industry and the economy need a real owner. Just as the Constitution insures that farmers may own their own workplace, their farms, so too state employees and pensioners should become owners of the assets.

Up until now wages in our economy have been only a minimal value of the product.

Employee ownership in Poland can also become the basis for creating a modern multisector economic system. (...) We will try immediately to transform state enterprises into stock companies.

We are declaring our contribution to reforming the economy and democratizing the running of the country.

We are taking a stand in favor of full information and access for all people to the means of public information.

We are expressing the decided will to engage in cooperative partnership with the social movements and political parties bent on broadening working people's participation in management, ownership, and political control.

We will act in a manner that will insure that working people have systems of remuneration which provide a sense of abundance, decent living conditions, and cultural development.

Will the movement become merely a broad sociopolitical platform? The end of the declaration says: "Our movement reserves the right to form a political party, if need be."

At the first press conference, the names of the movement's organizing committee were announced: Mieczyslaw Krajewski, Pawel Georgica, Franciszek Adamczyk, Jacek Krzyzanowski, Wladyslaw Januszyk, and Stanislaw Nowakowski.

#### Draft Declaration Issued

90EP0191B Warsaw ZWIAZKOWIEC in Polish  
No 44, 29 Oct 89 p 6

[Draft Declaration of the Movement of Working People]

[Text] There have long been voices in the trade unions within the OPZZ [All-Polish Trade Union Agreement] saying that working people needed to have a new form of political representation created for them, at all levels. At the initiative of Chairman A. Miodowicz, a group of 33 activists connected to various leftist political trends met this past 10-11 October, in Zatrzebie near Warsaw, and proposed a draft of a program declaration of the Movement of Working People [RLP]. An organizing committee was created to conduct efforts aimed at popularizing the movement.

The group adopted the assumption that the RLP would be open to all and have no formalized structures. Anyone who accepts the basic lines of action included in the draft of the declaration may take part. Anyone who wishes to enhance the draft may participate in developing the RLP program. These can be individuals, organizations, associations, parties, and so on, all who do not want to wait but are capable of taking the future of working people in their hands. We are waiting for you. Do not wait until somebody makes a profit off our affairs. Establish a unit of the movement.

The temporary headquarters of the RLP organizing committee is located at the Central Trade Union School,

23 Limanowski Street, telephone 42-15-58, telex OPZZ: 81 3834, 815467, fax 26-51-02.

Organizing Committee  
Movement of Working People

#### Declaration (Draft)

Poland is going through changes which will determine its future. The Stalinist system of ruling an enslaved society is falling to pieces. The collapse of "real socialism" has begun.

For many years there was talk about the interest of Poland and Poles. Elite political groups of "the great coalition" are also talking about this today. They are proposing further renunciation and belt-tightening to another generation of Poles as the major remedy to all the ills of the present day. We know how we are living. We can see the condition of our country. Polish assets and Polish creative thought and labor are being sold for pennies. The poverty zone has suddenly widened. The imbalance in income is becoming very much greater. Poland is losing its economic independence.

It is high time to prevent this, to take the issues of the nation's welfare into our own hands. The future of our country and the living conditions of our families are for us the supreme value. It is our desire to create a society of free working people. Such a perspective creates the foundation for a modern economy and a genuine state community.

Loss of faith in the future is a real threat to us. No further reforms can work, unless working people can see their own interest in them rather than mere renunciation. On the other hand, they will support those solutions which are reached after an honest contract of something in exchange for something. The price of redoubled efforts must not be money which is not covered. It must be a real true value encouraging more and better work for oneself. A measurable piece of the state production assets should reach the employee in the form of stock. The restoration of the value of the zloty, and therefore of the value of work and the dignity of human life, should start here. This is an indispensable condition to a healthy society and a sound economy.

Industry and the economy need a real owner. Just as the Constitution insures that farmers may own their own workplace, their farms, so too state employees and pensioners should become owners of the assets they create. Their voice must be decisive.

Up until now wages in our economy have been only a minimal value of the product. Great intermediaries, monopolists, and "distributors" of goods and services absorb huge amounts. We are calling for their restoration in title to ownership of our assets. Enfranchisement and ownership are the implementation of the rights of the working world. Institutions created by a society of free working people will help carry this out: employee self-management organizations, regional and municipal union banks, socialized funds, and foundations right up

to the Chamber of Producers in the parliament. They will create a capital market on behalf of and under the control of employees.

Let us not dream up marvelous solutions. We do not want to experiment on a living social cell. For years there have been proved, effective solutions and institutions which working people in the West have fought for (such as retirement funds and employee stock-sharing systems).

Employee ownership in Poland can also serve as the basis for creating a modern multisector economic system, in which all economic agents will operate according to the same rules. Their shareholders should be the state treasury, employees, and the owner of the control packet, for example, the state, the regional self-government body, the employee self-government body, the trade unions, and the associations or physical persons. We are calling on the Sejm to pass as soon as possible a bill for the universal socialization of all state enterprises, a bill which will insure that they become the property of the employee self-government group.

We are declaring our contribution to reforming the economy and democratizing the running of the country. Having in mind the proper representation of the interests of working people, we are open to cooperation with all union political currents, associations, employee self-government organizations, and scientific research facilities. We are taking a stand in favor of full information and access for all people to the means of public information. We support efforts to create a democratic Poland. We are expressing the decided will to engage in cooperative partnership with the social movements and political parties bent on broadening working people's participation in management, ownership, and political control. We want to be an autonomous group vis-a-vis those political forces which today could ascribe to themselves the right to provide the political representation for our movement. This applies in particular to the PZPR, which in the policy it has waged during its terms of government in our country has not managed to give supremacy to the interests of the workers and the world of work over the interests of "nomenklatura," bureaucracy, and the machinery of force. We are disturbed to see a similar trend in the elite groups in power. We will lend our support for the reform measures of the government, in the effort to restructure the economy, to rationalize employment, to quell inflation, and to stem the decline in the standard of living. We say "No" to structural unemployment.

We will act in such a way as to secure for working people those systems of remuneration which insure a sense of abundance, decent living conditions, and cultural development. We will create for young people the possibility of getting themselves settled in our country and for seniors, the possibility of benefitting from the contributions they have made in their lifetime. We will do everything to build up the value of work and the conditions for a life of dignity.

Our movement reserves the right to form a political party, if need be.

We know that there is no guarantee of our success, unless we achieve it through our own work. It is the workers themselves and their professional and political organizations which must fight for the interests of workers.

#### **Polish Peasant Party Forms Deputies Club**

26000010 Warsaw TRYBUNA LUDU in Polish  
8 Dec 89 p 5

[PAP report]

[Text] During the break in Thursday's [7 Dec] Sejm session, the Assembly of Seniors met and for the first time, a representative of the Polish Peasant Party's [PSL] Deputies Club formally took part in the deliberations.

Seven deputies are in the PSL Deputies Club: Roman Bartoszcze (chairman), Tadeusz Kaszubski, Janusz Rozek, Stanislaw Tomkiewicz, Franciszek Kiec, Stanislaw Jasinski, and Jan Warjan.

#### **Citizens Parliamentary Club Factions: Deputies Categorized**

90EP0246A Warsaw TYGODNIK SOLIDARNOSC in Polish No 29-30, 22-29 Dec 89 pp 1, 4-5

[Article by Dorota Maciejka and Waldemar Maszenda: "Under the Citizens Parliamentary Club"]

[Text]

Ever since last June's elections it has been known that the Citizens' Parliamentary Club, abbreviated OKP (or, colloquially, termed "Okap") would be politically variegated. To be sure, Walesa's people took part in the elections, but Solidarity has always been a composite of diverse orientations of the opposition (and diverse schools of political thought), so that naturally Walesa's team had to be a motley one. The candidates of this Solidarity Citizens' Committee were united in their opposition to the past rather than by a political program, despite their common Solidarity origin.

It is worth noting that the composition of the OKP is a consequence of a contract concluded at the roundtable. The various constituencies on the opposition-Solidarity side which took part in the roundtable talks placed their candidates on the list of the Citizens' Committee and introduced them into the parliament regardless of the actual social support on which they could rely. Certain well-known political activists (Tadeusz Mazowiecki, Marcin Krol, Aleksander Hall) withdrew their candidacy because they did not agree with the manner in which the nominations were made, a manner which they viewed as constricting the political spectrum of the opposition.

After the first half-year of work of the new parliament a common program on the methods, aims, and directions of transforming Poland has not been formed within the

OKP. However, mutual accord on many issues and coordination of positions are still possible. This does not mean that there does not exist a tendency to negate political differences. Of course, it exists and is one of the determinants of a general division within the OKP (but some people claim that there is only one clearcut division within the OKP: into 18 women and 237 men).

### The Strong Minority

Part of the OKP—let us call them the integrators—believe that attempts at any factional (political) activity whatsoever within the OKP, such as the formation of sections and circles of deputies, are unnecessary and even harmful. The integrators claim that unity matters most. Henryk Wujec (Zamosc Voivodship), OKP secretary and member of OKP presidium, claims that the views of the club's members on this issue oscillate. The integrators are, we think, in a minority among the OKP's members but they account for a majority of the presidium's members. The most influential politicians championing this orientation are Bronislaw Geremek (Suwalki Voivodship), Andrzej Wielowieyski (Katowice Voivodship), and Jan M. Rokita (Krakow Voivodship). The integrators also include those who advocate forming a political party on the basis of the OKP and Solidarity; this solution was proposed by Adam Michnik ("A Trade Union is No Longer Enough," GAZETA WYBORCZA, No 108), one of the most orthodox champions of this direction.

### The Weak Majority

The supporters of an opposing concept, which we will term pluralist, claim that the political reality should not be ignored, that it is unrealistic to pursue unity at any price. Deputy Jacek Szymanderski (Bialsk Podlaski Voivodship), the press spokesman of Rural Solidarity, commented as follows: "Divisions within the OKP have arisen, and there will be others. Speaking of a necessary unity is a false prospect. Representatives of different options should be in the club's presidium. To be sure, we have elected sympathetic, wise, and honest representatives, but that was only politics. The fact that they are wise and honest is of secondary importance. The presidium is losing its support not as a particular political orientation but as an assemblage of these particular individuals. This is demonstrated by the recent by-elections to the presidium: not one of the three candidates nominated by the OKP presidium itself has been elected.

The social-democratic Deputy Ryszard Bugaj (Warsaw Voivodship) claims that attempts to preserve the current structure of the OKP are unreasonable. It cannot be preserved except artificially and at the price of conflicts.

A similar opinion is held by Deputy Michal Wojtczak (Poznan Voivodship), a liberal. He believes that "Internal divisions within the OKP are bound to occur. If we want to preserve our club, the uniting bond must change; it can no longer be the slogan, 'We all come from

Walesa.' The OKP Presidium should present an ideological-moral program acceptable to an overwhelming majority (I am not speaking of an economic program, because in that respect we may differ). OKP Chairman Bronislaw Geremek has lost control over certain actions in the club. He is trying to rally together the adherents of just one faction, which seems to him loyal. But he should talk with persons representing various orientations within the OKP. I believe that he has what it takes to be an unquestioned leader."

A similar judgment was made by Deputy Jerzy Dyner (Warsaw Voivodship), who defines his affiliation as trade unionist: "Political divisions exist within the OKP, and that is normal." Likewise Marek Jurek (Leszno Voivodship) said, "A logical consequence of the elections should be a pluralist, federative nature of our club. I am disturbed to see that the new draft bylaws of the OKP do not provide for the possibility of forming circles [factions] within the club. It upsets me to hear Deputy Michnik's appeals for a prohibition against forming such circles, a prohibition against politicking within the OKP."

Henryk Wujec, on the other hand, says that it is not true that politicizing the club would assist in its work. On the contrary, there exists the danger, he claims, that internal "politicking would weaken the activism of the deputies and senators in the parliament. The circles that have already arisen are not affecting positively—except perhaps the circle of farm deputies—the activities of the OKP."

### In the Balance for the Time Being

A kind of tense equilibrium, of armistice, currently exists between both groups in the OKP, the integrators and the pluralists. As the process of consolidation of various political movements, parties, or interest groups goes on, however, that equilibrium may shift at any moment. The pluralists believe that the different orientations within the OKP should all have their representatives in the presidium of that club, as this may prevent its disintegration, signaled by the resignation of Roman Bartoszcze (Bydgoszcz Voivodship) and three Rural Solidarity deputies from the OKP. "However," Jerzy Dyner commented, "any one who resigns from the OKP is not likely to gain social approbation. Unless the farm deputies all resign together. The existence of a strong adversary in the Sejm (the PZPR) is a psychological barrier. Only an eventual schism within the club of PZPR deputies may result in cracking that barrier."

In addition to the divisions linked to the role and structure of the OKP there exist fundamental political divisions (the Left, the Center, the Right) and interest groups (e.g., the farm lobby or the worker self-rule grouping). But the OKP also includes a group of "uncommitted" deputies and senators, that is, those who remain neutral (such as Stanislaw Zurowski, Nowy Sad Voivodship, or Tadeusz Kłopotowski, Siedlce Voivodship) or intend to retain a wait-and-see attitude (J.

Onyszkiewicz, Przemysl Voivodship), are independent (such as Ryszard Reiff, Lomza Voivodship), or simply are eminent experts (such as Professor Jerzy Regulski, Jelenia Gora Voivodship).

Mention should also be made of the "Salon" (a Sejm behind-the-stage expression), that is, of the deputies and senators who are popular owing to their artistic eminence and who are characterized by, in addition to their social prestige, moderate parliamentary activism (owing to their professional obligations) and a relatively indistinct political stance, unless their support of the OKP Presidium is regarded as taking a position.

Let us begin our review of political options within the OKP in the clockwise direction.

#### From the Left

Jan Jozef Lipski (Radom Voivodship), Kazimierz Blaszczyk (Pila Voivodship), and Henryk Michalak (Sieradz Voivodship) are activists of the Polish Socialist Party (PPS), currently split into three factions. The PPS is directed by J. J. Lipski and supported by Blaszczyk and Michalak, and he is the most moderate of them.

A much more numerous group within the OKP are the social democrats ("socialists," as the farmers and liberals call them). They themselves prefer to avoid using such appellations for tactical reasons (socialism has a bad name in Poland) and owing to their belief that divisions into the Right and the Left are inadequate. This belief has been voiced by, e.g., Adam Michnik, who claims that the principal division is into two orientations: the open one (toward Europe) and the closed one (particularist). Translating this into the language of political differences (which is still used in Europe nevertheless), the first option would be leftist and the second rightist. The social democrats (like the worker self-rule supporters) distance themselves from the PPS tradition and rather rely on West European models.

Among OKP members Ryszard Bugaj very openly champions the social-democratic option. He claims, "The Polish road of emergence from communism should be based on certain social-democratic values and experiences, on condition that overcoming the crisis be grounded in solidarity. I firmly believe, unlike my colleagues on the right, that man will work well not only when he is economically coerced to do so but also when suitable conditions for action arise." The explicitly social-democratic orientation should also include—in addition to Bugaj and Michnik—Jan Litynski (Walbrzych Voivodship), W. Trzeciakowski (Warsaw Voivodship), Jacek Kuron (Warsaw Voivodship), Cezary Jozefiak (Lodz Voivodship), Andrzej Celinski (Plock Voivodship), Karol Modzelewski (Wroclaw Voivodship), and Bronislaw Geremek. These are only the best known names. In view of their considerable influence in the OKP Presidium, the social democrats are a highly visible and influential group. They are linked not only by their views but by their experiences as fighters [against the regime]. H. Wujec, who should be considered within

the social-democratic orientation, claims, however, that political divisions within the club have not yet become crystallized. He estimates that at present about 30 members of the OKP identify themselves with social democracy.

#### The Left-Leaning and Moderates

The worker self-rule supporters are a less well-integrated group than the social democrats and their influence is much smaller. They are linked by a shared view of worker self-government and transformation of property relations. Andrzej Milkowski (Warsaw Voivodship) believes that tagging them with the same label as the social democrats is not quite justified, particularly considering that, as he puts it, this concept in Poland has a different meaning than in the West. In addition to Milkowski, the following may be unequivocally considered as worker self-government supporters: A. Piszal (Wroclaw Voivodship), K. Putra (Bialystok Voivodship), B. Wilk (Opole Voivodship), S. Padykula (Rzeszow Voivodship), W. Kowalski (Lodz Voivodship), and J. Korolewski (Kalisz Voivodship).

The worker self-rule supporters believe that the best form of property ownership, particularly in large and medium workplaces, is ownership of shares in the workplace by workers. Andrzej Milkowski said, "We are against the ideas of visionary liberals who want to privatize anything and everything. Workers who own shares in their enterprise work better, because they are its authentic proprietors."

The worker self-rule group is not very numerous (about 10 persons) but, owing to substantial political weight of their proposals, they may constitute a fairly strong parliamentary lobby.

#### The Trade Unionist Center

The trade unionists are more numerous than the worker self-rule supporters and social democrats, but much less cohesive than the latter. They number about 60 persons in the OKP (of whom 20 are at the same time active members of Clubs of the Catholic Intelligentsia). In their political activities ideology plays a secondary role. One of the most representative politicians in this group, Jacek Merkel, believes that Solidarity must be politically pluralist, because its members represent various orientations. The trade unionists are interested in contacts with different political parties.

J. Dynner: "I distance myself as far as possible from socialist concepts, but I believe it important for the needed changes in the economy not to occur at the expense of the people employed in the state sector."

The trade unionists believe that the existence of the trade union Solidarity as a strong but moderate force is in the present situation indispensable and that Lech Walesa's authority is important to stabilizing the situation in Poland. Among the trade unionists we may include Edmund Krasowski and Jaroslaw Kaczynski (both of

Elblag Voivodship), Grazyna Stanisewska (Bielsk Voivodship), Edward Nowak and Mieczyslaw Gil (both of Krakow Voivodship), Lech Kaczynski, Bogdan Lis, and Krzysztof Dowigialla (all three of Gdansk Voivodship), and Antoni Tokarczuk (Bydgoszcz Voivodship). Unlike the liberals and farmers, they do not intend to form their own sections or circles within the OKP. Considering the position of Solidarity and the person of Lech Walesa, the trade unionists constitute a major pressure group in the parliament.

#### The Numerous Uncommitted Members

More than 60 other members of the OKP are persons linked to the Clubs of the Catholic Intelligentsia and parishes or other ecclesiastical institutions (but 20 of these persons are at the same time trade union activists). They constituted and constitute a loose federation. Although recently activists from 60 clubs established the Association of Clubs of the Catholic Intelligentsia, that movement intends to focus on religious matters and leave political matters to Citizens' Committees. The activists of the Clubs of the Catholic Intelligentsia do not constitute a parliamentary faction or pressure group, although at the same time some of them, such as Andrzej Stelmachowski (Speaker of the Senate) or, in particular, Andrzej Wielowieyski (Vice Speaker of the Sejm) are leading OKP politicians. But Deputy Jozefa Hennelowa (Krakow Club of the Catholic Intelligentsia) abstains from politicking: "I am not amused by any games and therefore I probably am behaving a bit natively. What matters most is that we should not lose from sight the paramount issue, namely, the program for changing Poland. Not everything is a political game. To me it is obvious that people are different and offer different programs. I resent it a bit when some make a mountain out of this molehill, as if they were discovering America. I understand that the vision of my excellent colleague Piotr Wierzbicki (this concerns his article "The Family, the Entourage, the Court" in TYGODNIK SOLIDARNOSC, No 23) was drawn in a rough outline, but the reader should not be persuaded that it is the entire reality. Is 'the family' dominating Walesa or vice versa? Such clear-cut divisions exist only in the Press."

#### The Right Wing of the Center

Farmers are the least stable element of the OKP. This seems to be confirmed by Deputy J. Bylinski (Warsaw Voivodship), who said, "Although we have been striding together with workers' Solidarity since 1980, our problems and interests are somewhat different. We realize that we shall enter the next elections not as Solidarity as a social movement but as somewhat more distinct political forces. I believe that a united [parliamentary] club [the OKP] is needed by this government because the adversary so far, that is, the PZPR, has not surrendered."

The political actions of peasant parties and groupings in Poland have always been pragmatic. Jacek Szymanowski characterized this as follows: "We represent the

interests of private farmers, producers, and hence we support a liberal economy. That is why we are forming the Polish Peasant Party (PSL) Solidarity, which desires to propagate a liberal mode of thinking, as well as the PSL Solidarity circle within the OKP (44 of the 52 members of the farm section have declared their wish to join). But we should bear in mind that we are in the OKP because Walesa patted us on the shoulder. If I wished now to resign from the OKP, I would have to ask my voters that they think of it. We may have discussions within the OKP, but only within the OKP."

#### The Conservative Liberals

The liberals, grouped for several years now around the Economic Society or Economic Action, also have at least 50 representatives in the parliament. For the time being, despite the formation of the Economic Section within the OKP, they are not as yet a well-integrated group—in the formal sense, because their economic views distinguish them markedly.

What specific solutions are proposed by the liberals? Above all, they desire that the nascent economic order resemble socialism in no way. It must be based on market laws and a total change in the property structure of national assets is indispensable. State ownership can be only of marginal importance. They claim that the worker self-government system at enterprises proposed by the socialists is a bad solution. Only private ownership (native and foreign capital) and a system of worker-held shares provide the guarantees that Poland can join the international economic system. Within the OKP there should be formed lucid and thorough concepts for rescuing and invigorating the economy, concepts reflecting the profound convictions of the persons supporting them, and groups propagating these concepts should be formed within the OKP, we read in the program of Economic Action.

The leading supporters of a liberal economy within the OKP include Professor J. Dietl (Lodz Voivodship), Professor A. Zawislak (Piotrkow Voivodship), and also J. K. Bielecki (Gdansk Voivodship), A. Machalski (Czestochowa Voivodship), and A. Arendarski and Henryk Wilk (Ostroleka Voivodship).

#### The Liberals, Christian Democrats, and Nationalists

Within the OKP there also exists a liberal-Christian democratic orientation which links itself to certain traditions of the [prewar] National Democrats. Its leader is M. Wojtczak, the chairman so far of the Wielkopolska Economic Society, who defines his views as right-center. Another major name here is M. Chalonski (Kielce Voivodship), the chairman of the Staropolska Industrial Society.

As regards the economic views of Wojtczak, they are, like those of Chalonski, moderately liberal: "The belief that the state should be social-democratic is idealism. The society should be stimulated to action, and this can be done only by means of money. Mobile, aggressive

structures stimulating labor productivity and improvements in quality should arise. Social welfare is a duty of the state, not of the economy. We support liberalism along with only minor elements of state interventionism."

#### Further to the Right

Deputy Jan Rusznica and Senator A. Fenrych, both of Tarnow Voivodship, are declared members of the KNP [Confederation for an Independent Poland], although they do not belong to any formal KNP grouping within the OKP. Krzysztof Krol declared that they are representatives of the KNP in the Sejm and Senate.

The political spectrum of the KPN is closed by a Young Poland Movement activist, Deputy Marek Jurek (Leszno Voivodship), who is a vice chairman of the Christian-National Association, which is supported by Primate Jozef Glemp and headed by Attorney Chrzanowski. Deputy Jurek characterized his views as follows: "From the political vantage point, the nature of democracy reduces to constitutionalism, meaning to a representative government with rule of law, which is more lasting than any temporary majority. Constitutionalism is not just the existence of a constitution as supreme law of the land but also the consent of the entire society to the moral principles, traditions, and values which unite it. In Poland such principles are Christian values."

The members of the Christian-National Association within the OKP also include Stefan Beminski and Jan Lopuszanski (Radom Voivodship), Stefan Niesiolowski (Lodz Voivodship), Andrzej Glapinski (Legnica Voivodship), and Antoni Zurowski (Leszno Voivodship). For the time being the Christian-National Association has not formed its own circle within the OKP.

#### In the OKP and the Government

The political mosaic of the Citizens' Parliamentary Club would not be complete without mentioning the OKP members who entered the government. In addition to the social democrat and worker self-rule supporter J. Osiatynski (Krosno Voivodship), who is chief of the Central Planning Office, there are A. Balazs (Szczecin Voivodship) of Rural Solidarity, who is the minister for the civilizational development of the countryside, J. Ambroziak (Warsaw Voivodship), a member of Clubs of the Catholic Intelligentsia, who is chief of the Office of the Council of Ministers, Jacek Kuron, the minister of labor and social policy, Aleksander Paszynski (Bydgoszcz Voivodship), a liberal, the minister of construction. The others are the educational experts W. Kulerski (Torun Voivodship) and A. Radziwill (Warsaw Voivodship), both undersecretaries of state in the ministry of education, and M. Wojtczak, undersecretary of state in the ministry of agriculture.

How does that entire politically variegated spectrum represented by the OKP find a common language? For

the time being, it does, though not without tension and controversy. Will this continue? That is an important question.

#### [Box, p 1]

#### The OKP [Citizens' Parliamentary Club (Solidarity)] in Figures

Altogether: 255 members (following the resignation of Roman Bartoszcze and three Rural Solidarity deputies)

Sex: 18 women and 237 men

Higher education: More than 200 members

Age: Up to 29 years, 4 persons; 30-59 years, 206 persons; over 59 years, 45 persons

The youngest members of the OKP are the deputies Marek Rusakiewicz (Gorzow Voivodship) and Janusz Okrzesik (Bielsk Voivodship), both 25 years old. The oldest is Senator Stanislaw Stomma, 81.

#### Senator Discusses Solidarity Role, Economic Solutions

90EP0235A Warsaw KONFRONTACJE in Polish  
No 11, Nov 89 pp 12-13

[Interview with Senator Karol Modzelewski by Krzysztof Grzegorzolka; date and place not given]

[Text] [KONFRONTACJE] In 1980 Solidarity had appeared as one great manifestation of discontent, rebellion. Nine years have passed and it is no longer the same Solidarity.

[Modzelewski] Because it is no longer the same Poland. At the time there had been a great deal of optimism among the society. The Gierek Administration had stimulated hopes for prosperity, for our living like [West] Europe. These hopes collapsed in 1980-81, but just then there appeared the belief that we would achieve our aspirations for freedom, and that, in measure with these aspirations, we would build Poland with our own hands, as Solidarity. August 1980 [the rise of Solidarity] blew into a conflagration the expiring faith in the future and gave millions of people the feeling of triumph over the old system, because it was a concession seized from rather than bestowed by the authorities.

The Solidarity of those times was indeed the collective work of several hundred thousand people who felt themselves free and led ten million fellow men in the belief that something really depended on them—more even, that they would redeem Poland and a little the world. From this collective feeling of a mission grew the lofty though perhaps not viable altruistic ethos of Solidarity. In trade union affairs it dictated rather a struggle for common interests or for interests of the weakest than for interests of the corporation, the industrial subsector, or a single workplace. Solidarity behaved like a collective Jeanne D'Arc, because there existed the common belief



that we are not just a trade union but a force creating a new Poland. We exercised various substitute functions, because our trade union was a fissure suddenly opening in a prison wall and all the aspirations of the nation, which until then had nowhere to realize them, focused on that fissure.

Naturally, a great deal was accomplished, but in the domain of civic liberties rather than state structures. In the Brezhnev era a democratic reform of the state was viewed as precluded by the communist leaders of the Polish People's Republic, because that would mean an open opposition to the Kremlin, a conflict of the same dimension as that of Yugoslavia in 1948 or Czechoslovakia in 1968. Thus, the machinery of power remained totalitarian, while the independent social forces simply refused to be governed by such methods. This led to a special kind of anarchy, because the nomenklatura state, operating on the principles of commanding anything and everything, was unable to organize collective life in the presence of broad political and trade union freedoms. Only the instruments of repressions retained their efficiency. Thus, this culminated in martial law, which was urged by Moscow (consider for example the letter of June 1981 of the CPSU Central Committee to the PZPR Central Committee). The martial law destroyed the hopes for freedom nourished during the previous 16 months and at the same time the last expectations of an economic improvement proved a disappointment.

Hope, once destroyed, is difficult to revive. The crisis in which we are stuck is not only an economic but a psychological crisis; it is the collapse of faith in the future. The society lacks this faith, and that is why Solidarity was reborn in the absence of its former optimistic spirit.

[KONFRONTACJE] But still, after 13 December [date of the imposition of martial law] Solidarity could not be wiped out.

Because such a movement cannot be destroyed. Those who had joined Solidarity because they saw it as a winner generally gave up on it once they saw the tanks and guns of the military. But a substantial number of the more active members stuck to Solidarity. It was they who, with the silent sympathy of the society, proved to be a social force that could not be erased from Polish life. The expectations that this could be accomplished by martial law were as utopian as the faith that an economic reform could be accomplished under martial law. This faith was held even by economists who referred to, e.g., the example of Chile. But over there the state of emergency was introduced on the streets, in the Press, in political life, but not in the workplaces, whereas in Poland martial law had to be imposed primarily in the factories.

Reforms cannot be accomplished when military commissars rule the workplaces and the managerial and supervisory personnel, beginning with foremen and even

work-brigade leaders, are selected according to their ability to effectively pacify workers rather than to organize production properly.

Paradoxically enough, the martial law consolidated the myth of Solidarity, its symbolic strength, even though it had broken to a large degree its organizational might. And a myth is indestructible. Solidarity had to be reborn, because it lived on in the hearts and minds of millions of Poles. That is why in May and August 1988 the demand to restore Solidarity ranked first on the list of strike demands.

[KONFRONTACJE] Again concessions wrested from the authorities?

[Modzelewski] Please consider that the 1988 strikes did not force the authorities to their knees. These strikes were too weak for that. This time the authorities met the situation halfway. Meaning that those generals whom, I admit, I would never have suspected of it before, showed so much political imagination that they read the alarm signal correctly. Besides, they were aware of the emptiness of the coffers, of the critical nature of the economic situation. Having certainly put all this together, they concluded that there is no other way out than a return to compromise. Of course, the return to compromise would not have been possible had it not been for the era of perestroika.

I do not even know whether everyone is fully aware how much the present unfolding of events has been, despite its undeniably Polish roots, possible thanks to a change in the situation within the Soviet Union.

In such a situation a return to means of coercion could not be considered as a wise and farsighted political solution. In view of this, Generals Jaruzelski and Kiszczak and their entourage—let us say, "the persons of the roundtable," representing the Communist side, decided to conclude a new and large-scale compromise. But that no longer was a victory of the kind achieved over them in 1980. That was to a large extent even their own initiative. Meeting history halfway, meeting the course of events halfway—that is what I call averting a revolution by means of a reform. And at the same time that initiative was undertaken by Walesa's leadership of Solidarity, because it too desired to avert a revolution by means of a reform. Precisely on this soil was possible that meeting and the attainment of sensible political decisions.

[KONFRONTACJE] In the eyes of the society this is an understanding between leaders, an understanding of elites. There was not and is not any euphoria of triumph.

[Modzelewski] This is due not only to the circumstances in which the compromise was achieved but also to the general decline of faith in the future, which I already mentioned. There still remains that last hope, still placed in Solidarity by a substantial segment of the society. We took the risk of placing this hope in the government of Premier Mazowiecki.



[KONFRONTACJE] A very great risk.

[Modzelewski] But the gravity of the situation is commensurately great.

[KONFRONTACJE] Mr Senator, I recall that I you had opposed Solidarity's acceptance of responsibility for the government, but now my impression is that I am speaking with the closest associate of Lech Walesa, as it were.

[Modzelewski] But please, I am not a representative of Lech Walesa. I am merely trying to explain my interpretation of his policies. I share his option of the compromise concluded at the roundtable, that is, the reformist rather than revolutionary option, because a revolution would be a misfortune. Such a misfortune may indeed befall us, but then it would threaten ruining, wasting the current international situation which is so favorable to Poland that one can say without exaggerating that it offers the opportunity of the century. Thus, I think that the moves made by Walesa and his associates, beginning with the damping of the strikes of August 1988 and the first meeting with Kiszczak and ending with the roundtable and the elections and adherence to the political accords, constitute in sum a policy to which there is no alternative within the framework of the reformist option.

It is true that I had objected in GAZETA WYBORCZA to Michnik's famous article, "Your President, Our Premier" and until the end I had remained publicly opposed to Solidarity's support of the new government coalition, believing that idea to be too risky. But that is a somewhat different issue and moreover its time is past. Nowadays there is no point to disputing who was in the right at the time; on the contrary, we all must exert efforts to prove that I was not in the right.

Once the Mazowiecki government was formed we crossed the Rubicon and there is no return to the starting point. The risk has already been taken and the political fate of the entire Solidarity camp vastly hinges on the fate of the present government.

Concerning this government, various mass media nourish or merely transmit the illusion that supposedly Solidarity has taken over the power, whether alone or in a coalition with the ZSL (United Peasant Party) and the SD (Democratic Party). Recently I read in TYGODNIK SOLIDARITY that Michnik would like to replace this coalition with an alliance with Communist reformers.

I cannot understand how the role of the fourth partner in this coalition [the PZPR] can be glossed over, even though he has control over the Ministry of National Defense, the Ministry of Internal Affairs, transportation and communications, foreign trade, and, to boot, the crucial presidency of the country as well as the apparatus of nearly the entire state administration. After all it is a nomenklatura apparatus, which is loyal chiefly to the one political force which had selected it.

And what stands behind the ZSL and the SD? The parliamentary seats which the PZPR had negotiated at the roundtable for its traditional satellites. I wish them that they may gain credibility, but for the time being, in the free elections to the Senate, ZSL and SD candidates won only 1 percent of the votes, while the PZPR won 10 to 20 percent. So let us not kid ourselves: our main partner in the present government coalition is the Communists. Of course, not all, not the party (whose condition following the martial law era and the recent changes is well known), but the team of Wojciech Jaruzelski. This partner makes certain that the apparatus obeys our premier and ministers of state, while Solidarity contributes credibility to the coalition and assures it of social support. In sum (and only in sum) this results in a government which has a chance for coping with the situation.

Both sides are paying for this chance. The Communists bear the risk involved in relinquishing their monopoly on governance. But consider that, although they still retain the most important posts in the government, they are not boasting of it and prefer to remain in shadow, behind the stage. It is we who are thought to be the main governing force. We have gained major positions of influence on social awareness (television, education, culture), but above all we are administering an economy that is in shambles, and in practice this means that we accept full responsibility for this economy. Failure in this field would entail not only the fall of Mazowiecki's government but also, along with it, a decline in the authority of Solidarity and the ruination of the last hope still cherished by the nation. And then no one else will gain the credibility which we will lose and Poland would then become a country which, in face of a material crisis, is mired in desperation and lacks any politically authoritative governing force. There is no need to explain the attendant perils.

[KONFRONTACJE] But it is you who, at sessions of the Senate, have often been severely censuring the economic policy of this government.

[Modzelewski] In this country still persists a Stalinist mentality which identifies support for the government with blind applause and rejects any criticism as hostile. Those who desire to overthrow Mazowiecki's government are not criticizing it at present, because it enjoys the broad sympathy of the society, but they are going to attack it as soon as that social support dwindles and the ground under the new government begins to collapse. From the outset I have been an early critic of what I consider to be mistakes in economic policy in order to rectify that policy and enhance the chances of this government for survival.

[KONFRONTACJE] But your comments make you sometimes sound as if you were opposed to a market-oriented economy. Such is my impression.

[Modzelewski] Nothing like that. The market-oriented economy, that is, modern capitalism, is incomparably more efficient than the socialist economy—in my

opinion this is a truism that makes discussion dispensable. I am, of course, speaking of the sole socialism I am familiar with, that is, real socialism and not some systemic ideal existing in the minds of theoreticians and visionnaires. The transition to a market-oriented economy, which in principle is self-regulating, requires thorough changes in modes of ownership and technologies, indispensable to the rise of competition. This cannot be resolved within a year or two, because the society lacks sufficient capital to purchase a substantial part of state industry. Similarly, foreign capital is not eager to make any such huge investments, because, despite our low-cost labor force, our enterprises are poorly designed and technologically outmoded and their products are not competitive on the world markets. Western businessmen are not going to invest dollars in order to earn zlotys. Thus, changes in modes of property will take a prolonged interval of time, and that will be the period of transition to the market-oriented economy.

[KONFRONTACJE] Professor [Jeffrey] Sachs urges switching to that economy in a single leap, just like lopping a dog's tail. All at once rather than bit by bit.

[Modzelewski] Unfortunately, the socialist economy resembles a snake rather than a dog. The question of whether it has a tail should be answered by saying yes, all of it is in the tail. If that tail is lopped all at once, it would be like lopping a snake's head and it is questionable whether the snake would survive such curative surgery.

The point is that our industry—and Poland is rather an industrial country—is and shall for a long time yet remain, to some extent the property of the state, and where there is a sole owner, there is no room for competition. Moreover, that industry had been built for 45 years in accordance with a central plan which made no allowance for competition. In this way, countless technological monopolies have been created, as for example in the dairy cooperatives. The central and voivodship unions of these cooperatives must absolutely be disbanded, but even so every individual cooperative will have a monopoly on dairy products in its territory and competitors are hardly likely to spring up soon.

Marxists claimed that modern capitalism is controlled by monopolies. Seen from our perspective, the big Western corporations seem rather a plaything of elementary market forces, to which they have to adapt themselves. A genuine all-encompassing monopoly exists only under socialism. So far we are stuck in that monopoly up to our ears, and the creators of our economic policy have the duty of taking this reality into consideration.

Unfortunately, the associates of Minister Syryjczyk and Vice Premier Balcerowicz worship liberal theories and precepts developed for a free-competition economy rather than for the one we have. According to that doctrine, the less there is of state intervention the better. The government should not intervene in price movements, in the profit margins of speculators, or in speculative practices of companies, and instead it expects that

the market will regulate itself. But the mechanism of market self-regulation does not apply when there exists an all-encompassing monopoly which always prefers to hike prices instead of increasing output.

The freeing of prices in the absence of [state] intervention is merely an abolition of restraints on monopoly practices. I consider it a success that in the dairy industry price hikes collided with the barrier of demand and an equilibrium was reached. However, it is output that counts and in this respect the situation is fatal. A drastic constriction of milk consumption and hence also of milk procurements has taken place. The existing potential—the dairy herd and the dairy-plant capacity—is not being utilized, and dairy products are being wasted. This threatens a decline in the dairy herd, that is, a decline in the production potential of agriculture. This is not a success but a disaster. Similar trends are occurring in the procurements and processing of meat. They are due to the application of the doctrine of nonintervention to an economy that is thoroughly monopolized, and sometimes, as in the case of milk, for example, to a too rigorous elimination of subsidies. Food industry is subsidized throughout Europe, but nowadays it is the least subsidized in this country.

I do not agree either with the opinion of my friend Waldemar Kuczynski that the principal cause of the hyperinflation is precisely the rise in wages and that precisely it requires a drastic curtailment while prices should be allowed to rise freely. Hyperinflation in Poland commenced exactly on 1 August 1989 when the decision to decontrol prices was taken. It is being moreover stimulated by the unbalanced budget and costly investments (rather more Zarnowiec [the nuclear power plant under construction] and the Metro [the construction of the Warsaw Subway] than the construction of hospitals). Lastly, the inflation is compounded by the decline in output and market supply, partially due to the nonintervention policy. The government has retained the tax on ceiling-exceeding price increases and does not consider this as violating the liberal rules of the game. In view of this, a similar prohibitive tax on excessive profit margins and monopoly profits should be levied in order to restrain price increases; this is a proposal that I have been repeatedly but fruitlessly making.

Generally speaking, in the period of transition to a market-oriented economy it is necessary, in my opinion, to employ a broad spectrum of instruments of state interventionism, because mechanisms of market self-regulation cannot yet be much relied on. I am criticizing the policy of laissez faire toward the monopolized economy chiefly because this policy is ineffectual.

It is moreover a politically risky policy. Coping with the crisis must be hard on everyone, but its cost should not be excessively increased. After all, the admirable patience of the society is not infinite and successive stages of sacrifices may test it too much.

I admit that the economic policy of our government is also meeting with my opposition owing to the system of values which Solidarity had represented in the years 1980-81 and with which I continue to identify myself.

Food prices continue to soar and expenditures on food absorb most of the budgets of the poorest families. It is these families that are paying more than any other social group for the cost of the "horse cure" being applied to the economy. In addition, state-budget cutbacks are resulting in a deterioration in social services, which additionally broadens the extent of social destitution.

[KONFRONTACJE] Will the already famous "kuronio-wki" [televised appeals for donations to the neediest by Jacek Kuron] organized by the Polish Red Cross and the contributions to the SOS Fund suffice?

[Modzelewski] The philanthropy being propagated by Jacek Kuron on television will not eliminate these perils.

Moreover, large groups of public-service employees, such as those of health service, and employees of the manufacturing sector—I am referring to the workforces of enterprises which may even be performing efficiently but lack sufficient clout to obtain higher wages even in inflationary money—are getting pauperized. In the parliament we have the peasant lobby, but we also urgently need a worker lobby that would protect the interests of these groups. Otherwise, the government's economic policy will not be socially balanced. After all, "the anti-inflation pact" requires an understanding among groups representing various social interests.

[KONFRONTACJE] Are not you afraid of being hooted as a "Solidarity conservative"?

[Modzelewski] No. This concerns being conservative about the values around which the Solidarity of 1980-81 had rallied. There is nothing bad about it, I think.

## INTRABLOC AFFAIRS

### Warsaw Pact Alliance: Reform Scenarios, Poland's Position

90EP0248A Warsaw TYGODNIK SOLIDARNOSC in Polish No 28, 15 Dec 89 pp 1, 17

[Article by Wojtek Lamentowicz: "Warsaw Pact: End of the Empire"]

[Text] The security of Poland in the present-day world increasingly depends on political, economic, cultural, and ecological factors and less and less on purely military ones. War is a receding danger. More direct and dangerous is the combination of the protracted economic crisis with repeated technological backwardness. The degradation of the natural environment is so great that it might seem due to a mighty industry capable of meeting all human needs in Poland.

Unfortunately, we have no such industry and we are merely suffering all the ecological consequences of a mismanaged industrialization. Herein precisely lies the fundamental challenge to our security and independence. That is why the time has come for a political reappraisal of the military aspects of national security.

The dilemma of the difficult and incomplete independence of small and medium countries was astutely expressed by Yosif Brodsky, a Russian emigre poet, when he said that such countries have only a choice as to the kind and scope of their dependence, and that choice is limited to the alternative, "tanks or banks." He is certainly largely right, but the persistence and mass scope of support for independence ideas in the countries of Central-Eastern Europe seems to belie his dictum. In particular, the desire of Poles for honor and pride not to be suppressed by a feeling of hopeless impotence has gained universal respect. That respect is all the greater the more consistently the Polish national interests are expressed in the form of a peaceful change, of a democratic evolution respecting the security of the other European countries.

The democratization of the countries of Central and Eastern Europe undoubtedly requires abandoning the concentric structure of the so-called bloc in which, as a British politician said, there are only one eagle and several small birds. That big-power eagle is, of course, the center of military-strategic decisions in Moscow on which the governments of the smaller Warsaw Pact countries are unilaterally dependent.

This concentric model of dependence has become outmoded not because the USSR has ceased being a big power, but because that power is changing its internal form and major elements of its foreign policy.

Further evolution will probably lead to a deconcentric structure: in lieu of unilateral dependence, an even now evident interdependence will grow; in lieu of a single center with imperial aspirations there will arise more

equal relations; in lieu of isolation within a military-ideological bloc there will appear an openness admitting increasingly closer contacts between countries of the Warsaw Pact and those of NATO and the political-economic institutions of West Europe. And lastly, in lieu of a balance of forces based on fear there may finally arise a balance of rights among countries with differing civilizational potentials and differing systems of society.

### Options Vis-a-Vis the Bloc

The ruling groups and civic societies in Central and Eastern Europe vary in their capacity for an independent definition of their defense and foreign policies. This is natural considering that for several dozen years any attempt to pursue [an independent] policy toward the USSR (such as, e.g., Gomulka's decisions to deport the so-called Soviet military and policy advisers from Poland, the decisions of the government of Imre Nagy in 1956, or the diffident attempts of the Dubcek Administration in Czechoslovakia) was severely punished and treated as showing enmity toward the USSR. This practice, later termed not too appositely "the Brezhnev Doctrine," caused many politicians and generals to develop bad habits. They acquired the belief in the impossibility of any options other than the logic of a bloc built according to the Yalta blueprint. Such options should not only be not thought of but, a fortiori, discussed publicly. According to this tradition, a policy clearly defining national interests could not be pursued vis a vis the eastern neighbor. As a result, the ability to plan alternative variants of an independent foreign policy withered in many Warsaw Pact countries.

The new prodemocracy movements are trying to break with this self-crippling constraint and exercising a revivifying influence on ideas previously buried in concrete.

The range of the options vis a vis the Warsaw Pact that can be analytically isolated and that may become at present or in the future the subject of social aspirations is not unlimited. Still, their number is much greater than a mere continuation of the status quo. Ranked from the most to the least radical, these options can be presented in the form of the following six political concepts:

- An open and total withdrawal from the Warsaw Pact, with the intent of joining NATO.
- Total withdrawal from the Warsaw Pact with the intent of gaining the status of a neutral country according to some known (e.g., Swedish, Austrian, or Finnish) model, or according to some new and acceptable formula for neutrality.
- A gradual and stealthy, as it were, withdrawal from the military structure of the Warsaw Pact (by taking advantage of a country's, such as Hungary's, secondary geostrategic position) with the intent of remaining within the political structure of the Pact or gaining the status of an unaligned country based on a formula similar to that of Yugoslavia's.

- An integral reform of the structure and operating principles of the Warsaw Pact, with retention of membership in it so long as is needed for the national security of a country and its successful transition to parliamentary democracy and market-oriented economy and without violating the conditions for stability, security, and cooperation in Europe as a whole.
- Improvement in a country's own position in the Warsaw Pact alone, without postulating the Pact's integral structural reform.

This last option presupposes renegotiating the terms for participation in the Pact's military structure so as to enhance the extent of freedom of choice or to eliminate certain constraints on sovereignty. Such a change in conditions for participation may include, e.g., a demand for withdrawal of alien troops stationed on the country's territory, numerical limits on these alien troops, and the establishment of new principles for cooperation among commanders vis a vis the command of the Pact as a whole. This option is being pursued by Romania.

- A special case of this last option is the demands posed by, e.g., Sajudis and the republic authorities of Lithuania. In connection with the protests of conscripts who refuse to perform their military service outside Lithuania, the government of that republic has repeatedly asked the USSR minister of defense to agree to the formation of uniform ethnic military formations. So far these aspirations to create a Lithuanian army as part of the USSR army have not been satisfied. That is why on 8 November the Sajudis Congress Council offered legal assistance to all those who "refuse service in the occupation army and express their wish to join the republic army."

Present-day Polish defense strategy seems to reflect the fourth option, which is moderate but requires a rather thorough reform of the Pact as a whole.

The second, incomparably more radical, option is not a workable one so far as current policy is concerned, but it is part of the domain of the longrange aspirations of highly numerous groups of citizens. That is why it may become an element of practical politics soon now.

The third option, that of a departure "in the English manner" from the Pact, is realistic only in countries located in the geostrategic periphery and having rather small populations. These conditions are met, e.g., by Hungary (Warsaw Pact) and Norway (NATO). Poland's geostrategic location is so central, it being where Soviet and German security interests are concentrated and mutually compete, that any speculations concerning departure "in the English manner" are politically unrealistic.

The second option is not at present promoted by any government in Central-Eastern Europe. The American publicist Irving Kristol has proposed a four-point plan for the neutralization of all Central-Eastern Europe on

the basis of an agreement between the United States and the USSR (INTERNATIONAL HERALD TRIBUNE, 13 September 1989). His proposal provides for an Austrian-type neutrality of five countries—Poland, Czechoslovakia, Hungary, Bulgaria, and Romania, from which Soviet troops would be withdrawn and whose national armies would be markedly reduced. In addition, in Kristol's opinion, a reunited German state would be neutral in the Swedish manner—all foreign troops would be withdrawn, military bases prohibited, the possession and refinements of nuclear weapons expressly prohibited, and the right to a national army armed with conventional weapons retained. The existing boundaries between such a German state and all of its neighbors both in the East and in the West would be permanent, and these conditions would be jointly guaranteed by the United States and the USSR.

When concepts similar to Kristol's idea began to be propagated, the press spokesman of NATO on 5 October, on the eve of the 35th Session of the North Atlantic Treaty Organization in Rome, officially denied the existence of any NATO document providing for the neutralization of Central-Eastern Europe. Following the experience with the opening of the wall between the FRG and the GDR it is difficult to tell whether ideas of this kind might not become part of a new NATO strategy. Precluding such a possibility in the new rapidly changing conditions would point to an underdeveloped imagination.

#### A Polish Outline

Polish security policy is gradually emerging from the declarations and practical moves of the government of Tadeusz Mazowiecki. It is moderate but resolute. Its intellectual basis is the premier's declaration of 12 September 1989 which, among other things, distinguished between the sphere of influence and the sphere of national security of the USSR, stressed Poland's adherence to international treaties and at the same time stressed the desire for autonomy, desire to limit the sphere of influence through a reform of the Warsaw Pact.

I believe that a project for such a reform should clearly express two starting premises, the first being a moral obligation and the second the strategic contradiction between our status and our aspirations. The moral obligation of the Polish state toward all Europeans and toward Poles themselves is to carry out radical reforms in Poland's system of society so as not to imperil the stability and security of all Europe. Thus, the ethical foundation for the policy of change is concern for the stability of peace in Europe. Looking beyond the horizon of the Yalta order, we have the obligation to care for the common good of all Europeans; our national interests can and should be meshed with the interests of other nations and with the common interests of the cultural community represented by Europe.

The strategic contradiction contained in the second starting premise is that, On the one hand, we must

remain in the Warsaw Pact in order to commence and peacefully continue the democratic evolution of our country, while on the other hand we must and desire to come closer to the institutions of West Europe: the Council of Europe, the EFTA, and the EC. Thus there exists a tension between what we must do and what we want, between the conditions for traveling on our road and the conditions for attaining our goals. To depart on the journey we must remain in the Warsaw Pact, but to reach our destination we want to change the nature of that Pact and gradually transcend its present institutional framework.

Freedom of choice of our own form of statehood and kind of economy is our principal domestic goal, and foreign policy is merely to create the external conditions multiplying our chances for success. Internal freedom cannot be achieved without external peace and security. Keeping in mind this fundamental aim—freedom of choice of forms of public life—is indispensable for making effective our policy of overcoming civilizational stagnation. Our neighbors, and not only they, have the right to know that the Polish internal changes threaten no one, do not destabilize anything important, and do not destroy the foundations of security.

The main directions of reforming the Warsaw Pact may be expressed in the form of five basic postulates:

1. A distinction should be made between not only the sphere of security and the sphere of influence but also the sphere of national interests. The Polish sphere of national interests has always been broader than a simple continuation of membership in the Warsaw Pact and CEMA. Our interests compel us to defend the cultural heritage of the West and explore ways of bringing our future closer to the shape of the possible future of the West. Our interests lie in opening to modernity and normalcy, in surmounting the repeated backwardness caused by a mismanaged industrialization, and in abandoning the domain of institutional absurdities. Thus, while respecting the Soviet security sphere, we must clearly express our own interests, precisely define the sphere of national interests and the sphere of the interests shared with our neighbors; we must take into consideration the interests of other nations but resolutely defend our own interests.

An internal principle of the Warsaw Pact should be a harmonious relationship between the balance of rights and the balance of interests, for only then will the autonomy of the small and medium countries be not impaired by the sphere of influence of the big country. Thus, in order not to be a sphere of influence that lacks a will of its own, we must strive toward a reduction and subsequent elimination of alien troops from our territory and a reorganization of the participation of our army in the common defense strategy of the Warsaw Pact so that it would be known what part of our armed forces is subject to the Pact's command and what part to the Polish authorities.

2. The military alliance should preclude the possibility of armed intervention by alien armies that might attempt as a quasi-police force to restore internal institutional order against the will of the society. The Warsaw Pact should, as the premier stated in his declaration, concern "merely their internal political and economic order."

For this to be so, it will not be sufficient to revoke the so-called Brezhnev Doctrine by words alone. Even if these words are as explicit as those uttered by General Lobov in Rome at a session of the NATO parliament on 8 October 1989. (The USSR has "neither territorial nor political nor ideological claims" on other countries.) Deeds are needed, and especially a thorough review of the language of the bilateral agreements concluded between the USSR and all the countries which it considers to lie within its sphere of influence. According to these agreements, rather than according to the Warsaw Pact itself, the USSR is still authorized to intervene in order to protect the threatened system of society.

3. In addition, a consistent deideologization of the military alliance is needed. This postulate has already been offered by the Hungarian Minister of Foreign Affairs Gyula Horn, but in a rather generalized manner. Thus it should be stated more explicitly that an ideological dependence is harbored in the fact that the [Warsaw] Pact was concluded not so much among governments as among the leadership elites of communist parties. The alliance of parties should be replaced with political cooperation among sovereign states. These states are becoming multiparty, and their governments too are becoming coalitions with a growing participation of noncommunist forces.

Thus there exist no grounds for the Political Executive Committee, that most important body of the alliance, to continue being a meeting of the first secretaries of communist parties. What is rather needed is a council of premiers of the member countries as a body for the political coordination of defense affairs. This may result in "etatizing" what has so far been only a party matter, enhancing the role of international law in mutual relations, and making possible the primacy of political over purely military cooperation. The structure of the Warsaw Pact at present is not a solution of the problem but rather a problem for solution.

4. The humanitarian dimension of security has very often been ignored. Thus, in order to strengthen the safeguards against again utilizing the military pact to curtail the rights of man, it would be worthwhile to supplement the Warsaw Pact with International Pacts on Human Rights; they should be an integral part of the Warsaw Pact.

5. The striving to curtail the offensive-minded aspects of the Warsaw Pact deserves to be continued. But it is not enough to review military-strategic doctrines in order to eliminate from them anything that presupposes a war other than defensive.

Such a review of doctrines should moreover consider and eliminate anything that creates an image of the enemy, anything that may nurture hate and aggressiveness in enlisted and commissioned personnel. To accomplish this, discussion of doctrines should not be left to professional officers alone. Participation by parliamentary politicians, scholars, journalists, and, simply, citizens looking at the army from outside, is needed. The scope of the review also deserves broadening: not only doctrines or strategies should be humanized but also military regulations and manuals from which officers and soldiers learn their trade. It is precisely at a much lower level than that of strategy or doctrine that the demons of dehumanization lie dormant.

## POLAND

### Army Officer Returns Party Card, Calls for Others To Do Likewise

90EP0227A Warsaw GAZETA WYBORCZA in Polish  
9 Nov 89 p 5

[Letter to editor by Major Cezary Solski of Torun: "Let Us Decide Ourselves"]

[Text] The functioning of the party organization within the armed forces is specific. It is governed by not only the party statute but also additional, separate instructions. Therefore, the professional military cadre is subject to a dual subordination, because resolutions of both the PZPR Central Committee and its military counterpart, the Main Political Directorate of the Polish Army, are being followed. Although a majority of my fellow officers support an apolitical army, they continue to belong to the party. This is due to a deep-rooted fear of service repressions. Perceiving a real threat to future processes of democratization, we turn to our colleagues with this appeal:

Do not wait for recommendations by our superiors, which will merely follow those of their party superiors. Instead, let us decide ourselves on our own stance toward the society and democracy. Membership in the party makes of us a party army rather than a national army.

The special role of the army as a servant of the society obligates us to sever in practice our ties with any political party or orientation while performing our professional military service.

We believe that, for the armed forces to exercise their role as a guarantor in consolidating democratic processes, they must be subordinated solely to a Sejm elected in democratic elections.

We are aware that waiting for the order to surrender party cards may be linked to a reverse situation, that is, a recommendation that we enroll in a specified newly formed party.

Fellow soldiers! I already have officially surrendered my party card. I appeal to you to take a similar decision in

well-conceived soldierly interests. Unless we decide for ourselves, who and how will decide for us?

### New Veterans Organization Formed

90EP0227B Warsaw RZECZPOSPOLITA in Polish  
9 Nov 89 p 4

[Article by J.T.: "God, Honor, Country, Polish War Veterans Association"]

[Text] "The Association's purposes are to maintain soldierly bonds, defend the dignity and good name of Polish Army personnel true to the historic device 'God-Honor-Fatherland,' continue national traditions, and strive to properly document and commemorate the military deeds of Poles in the struggles for freedom and independence during World Wars I and II and national uprisings," declares, among other things, the statute of the Association of Polish War Veterans (SPK) registered on 2 November in this country.

Stanislaw Moscicki, the chairman of the Provisional Board of the SPK, declared, "We desire to rally together the veterans of all the formations fighting both in the East and in the West, as well as the soldiers of the Polish underground state regardless of their political orientation—all those who guided themselves by the principle 'God-Honor-Fatherland.' But we don't want to include in our ranks members of the People's Army and People's Guard—formations linked with the Communists (apart from the People's Guard linked to the RPPS [Polish Workers Socialist Party], which was something else) as well as members of the internal troops, starting with the KBW [Internal Security Corps]. Our aim is unity in multiplicity, that is, to comprise diverse groupings on the basis of a federation.

"We shall strive to honor and assist all war veterans. Much in particular is to be accomplished in this respect in the countryside. We shall demand checking the validity of all war veteran I.D.'s, because their owners include persons who, e.g., had been 5 years old at the war's end or were murderers of Home Army soldiers. Likewise, the validity of the special annuities and pensions granted to some persons posing as merited war veterans should be investigated.

"We shall not extend a tin cup to the state; we desire to be economically self-sufficient. Pledges to establish joint ventures have already arrived from our fellow Polish war veterans in Great Britain and France. We intend to regain possession of the building currently housing the offices of the ZBOWiD [Union of Fighters for Freedom and Democracy]. We are not going to challenge it; let the war veterans themselves pronounce a judgment on it by deciding where they want to belong. Let me also add that we have been receiving a large number of membership applications from all over the country. Our address: Association of Polish War Veterans in the Country, Stanislaw Moscicki, ul. Piekna 28/34 m. 32, 00-547 Warsaw."

### Changes in Military Training for Students Listed

90EP0227C Warsaw ZOLNIERZ WOLNOSCI in  
Polish 22 Nov 89 p 2

[PAP article: "Changes in the Rules for the Military Training of University Students"]

[Text] The press spokesman of the Minister of National Education reports:

The talks among the Ministry of National Defense, the Ministry of National Education, and representatives of the Independent University Students' Association and student body governments concerning reforms of the military and defense training of university students have resulted in accords on changes in the present training system. Some of the reforms can be introduced as early as this year while others can be implemented only after the current legislation is revised. The ministers of National Education and National Defense, as well as other ministers overseeing higher schools have agreed at a meeting on 20 November that the following changes shall be introduced as early as during the present semester:

1. The defense training of category-E male and female university students may be postponed until new legislation is passed by the Sejm.

2. As regards the military training of the other students:

a. They may take study examinations while performing military service;

b. The overall number of hours set aside for military training may be reduced by 20 percent (this means that, among other things, students may take courses without having to catch up with their study arrears due to the boycott);

c. University presidents shall be notified on the manner in which 15 to 20 percent of the total number of military-training hours is to be utilized.

d. The heads of military-training departments at universities are authorized to change the curriculum and forms of training so as to meet the expectations of university students and administration.

e. Instruction should be partially in the form of lectures and seminars given by faculty from other university departments (e.g., Chemistry, Biology, or Medicine) upon consulting the university administration.

3. In the military training of medical students some of the practical exercises (20-30 hours) and the military oath should be postponed until after the studies. In addition, the duty of wearing uniforms during military training at medical academies should be abolished.

In the immediate future the decree governing the military and defense training of university students should begin to be revised. To this end:

a. The minister of National Education shall, in cooperation with the Ministry of National Defense and other ministers overseeing higher schools, present to the Council of Ministers a draft decree containing proposals allowing the students to choose one of three ways of performing military training while at school, in accordance with the current rules;

b. As part of the decreed compulsory military service, after passing the [university] admission examinations but before beginning [university] studies;

c. After completing studies, during a concentrated one-month period (that would be the month preceding the five-month military service).

The minister of national defense shall present to the National Defense Committee proposals for reforming the military training curriculum [with the object of]:

—enabling graduates of higher schools to perform substitute military service with the health service and welfare institutions;

—abolishing defense training for category-E male and female university students or replacing it with facultative courses under a program coordinated among the concerned ministries.

The Ministry of National Education is asking all students to immediately discontinue boycotting the military training program.

### Topographical Maps Not Accessible to Public in Past Now on Market

90EP0221A Warsaw ZOLNIERZ WOLNOSCI in  
Polish 24-26 Nov 89 p 6

[Article by Major Marek Sieniawski: "Making Contour Maps Public"]

[Text] A look at a military map readily reveals localities, roads, lakes, rivers, elevations, and forests. Many signs, numerals, letters, and other strange markings that say nothing or little to the uninitiated can also be noticed. Some of these markings may be associated with terrain objects, but a proper use of a topographical map requires first learning its language.

Soon now there will appear on our market topographical maps which barely several months ago had been secret and whose loss in the military always used to produce extremely unpleasant consequences to their bearers. The cautious tried to avoid them just in case, in order not to collide with the law.

As for knowing how to decipher topographical maps, properly speaking only commanding and general staff officers know how to use them. As for the general public, its knowledge of these maps is slight.



"Since the entire society should be concerned with national defense," the Chief of the Topographical Service of the Polish Army Colonel Dr Zenon Biesaga said, "it should have access to maps, all the more so considering that terrain knowledge is no longer a closed secret to the enemy: a lot can be seen from outer space."

It suffices to compare a topographical map with other kinds of maps, such as tourist, highway, physical, administrative, or historical maps. A topographical map is somehow different; it contains many details and has little vacant space. Some of its colors are similar, because it shows forests in green and waters in blue, but it shows meadows in white whether in the mountains or in the lowlands. Terrain elevation is denoted by dotted and solid curving brown lines that are more or less thick. What may be unimportant on other maps, on a military, or more properly, topographical map sheet is of great importance. A single tree in a field or on an elevation, a row of bushes along a field road, a boulder near a highway, ditches and depressions, or a solitary building—all are important objects from the military standpoint.

Consider this example: a commander assigns a combat task to his subordinates. A tree or a building are excellent orienting landmarks. This also applies to a factory chimney, a church tower, or a telegraph pole, which may serve artillerymen as points of reference when identifying targets or correcting fire. And what about ditches and depressions? Cannot they be good places for digging trenches, sheltering troops, or installing a first aid station or an ammunition storage site? A topographical map can provide a great deal of terrain information. To a modern military commander the map is an important combat document.

However, the topographical maps being currently prepared for public use will not include information which continues to be protected by considerations of national security.

"There is no point in concealing the information that can be gleaned from high-discrimination satellite photos," Colonel Henryk Bednarski of the Topographical Service commented. "However, such information as the kind of road surfacing, the loadbearing capacity and dimensions of bridges and overpasses, ammunition depots, and communication hubs, will remain classified."

Thus, the basic topographical map will be good for use in the military or secret only when that withheld information is printed on it.

#### A Little About Geodesy

The international system of measures is only 178 years old. Previously such units of measurement as 3 days on foot or 1 day on horseback used to be employed, but even now such units of measurement as 6 hours of travel by rail or 1 hour of flight by air are employed.

It used to be that maps served merchants, envoys, and travelers. Nowadays we find it amazing that they could travel at all in the presence of so few points of reference. But as time went on, technology changed and the requirements and needs for increasingly precise terrain maps grew. To this end, a triangulation network was developed in order to avoid major errors in surveying large areas. The name of this method is taken from the Latin *triangulum* or triangle. Since the figure of the triangle involves the most elementary relations of measurement serving the calculations, it was selected as the means of determining reference points. This method was first employed in the 17th century by the Dutch scientist Snellius.

Triangulation points are denoted by special towers erected about 20 km apart. They can be encountered in many localities. Underneath such towers are 30 cm wide and 1 meter tall granite blocks. Deeper even, below these blocks, are installed underground markings as well. The permanent towers serve for topographic and geodetic surveys. Covering the entire country with such towers would take years and cost a great deal, and therefore portable designs began to be employed. Special high-precision invar wire is used for line measurements; this has to be handled by conscientious and hardy individuals who often have to lead a nomadic life.

Why all this precision? Well, these points represent the basis for further, equally accurate measurements and for the identification of discrete objects. The foundations of the theory of the calculation and leveling of the triangulation network were developed by a Polish geodist, Professor Edward Warchalowski (1885-1953). Just as in chess the position of each piece on the chessboard can be identified, a similar principle applies to geodesy and topography. The adopted convention is that on maps and plans the north is always at the top of the sheet unless distinctly specified otherwise.

What about the sphericity of the Earth? At sea, in order to perceive a ship at a distance of 30 km, one has to be at an altitude of about 70 meters. A single altitude station is erected on the seacoast and the leveling of the entire country is linked to it. Leveling means the determination of differences in height above sea level. Tablets or steel bolts called benchmarks and specifying these differences in height are permanently affixed to the walls of certain buildings.

The problem in making a map consists in modeling rugged terrain and allowing for the spherical shape of the Earth on a flat map sheet. It would be simplest to use a globe, but that would be difficult. A conventional cartographic grid has been developed. Meridians were drawn in accordance with the so-called Gauss-Kruger mapping and divided into a grid of squares. These squares can be densified as needed until the desired map scale and kilometer grid is attained. Thereupon, discrete markings are placed on that grid.

Map data are gathered by geodetists or, in the army, military topographers. It is precisely on the basis of the aforementioned triangulation points and polygon points and benchmarks that the exact location of points in the terrain is identified. To this end, a survey instrument called the theodolite is employed. It determines horizontal and vertical angles, distances, and differences in elevation.

Sometimes measurements can be seen with the aid of surveyor's staffs. But modern radar facilities also are being introduced. Until recently topographers had to trample all over the country in order to make exact measurements. They were accompanied by so-called rodders, who carried long surveyor's staffs. The insignia of the personnel of the Topographical Service of the Polish Army depict a terrestrial globe bearing a parallel and a meridian as well as a surveyor's staff placed across its center.

### Technology and Progress

Thanks to aviation and outer space utilization, a new domain of knowledge, photogrammetry, has arisen. This facilitates data acquisition. Complicated mathematical calculations serve to reproduce terrain relief from aerial photographs. As it turns out, this is no simple matter: the aircraft must fly precisely along a designated straight line, all the time at the same altitude. The photographs must mesh so that the terrain can be viewed three-dimensionally with the aid of a device called the stereoscope.

"Increasingly often we are using high-resolution satellite photos to process and update topographical maps," Col. Wacław Krajewski explains.

Let us see how it is done. Corporal Tadeusz Stec shows a device with two satellite photographs placed side by side. They are viewed simultaneously, thus producing the impression of a three-dimensional terrain image. Right now the device is aimed at a farm: one can view clearly all the structures, a well, a nearby tall spreading tree, a fence, a road curve, and a roadside ditch. Now there is no doubt that a great deal can be seen from outer space. An expert can identify any object. It is possible to thoroughly determine the changes and positions of characteristic points and record all this in computer memory for further processing.

Not everything can be seen. Also needed is such information as the nature of the road surfacing, the material composition of building structures, classification of forests, names of localities and hamlets, and the administrative boundaries of settlements, villages, townships, and cities. A considerable part of the data is known, but some require field trips. This also applies to military information. The location of airfields, barracks, and structures is no secret at present, and such information is provided on the currently printed publicly accessible topographical maps. But they lack certain descriptive material which remains classified not only in this country but also in others.

Only now can the process of drafting the map begin. The Topographical Service of the Polish Army has been using aerial photographs of Poland already since 1947. Among other things, it was owing to these photographs that the area of a Hitlerite concentration camp in Warsaw could be identified. Similarly, a comparison of old photographs and other materials makes it possible to update maps more rapidly. Owing to computer technology it is possible to generate a great deal of information on the so-called plotter, that is, a device for printing markings and lines very accurately on large sheets of paper. The plotter can draw a kilometer grid in 3 minutes, a task which formerly took all day to accomplish by hand.

We view an aerial survey camera. It weighs about 100 kg. It is used by a veteran of the Topographical Service of the Polish Army, Lieutenant Colonel (Reserve) Władysław Zonenberg. He has been working here since 1947.

### From Information to...

Now the task is taken over by the Military Cartographic Plants (WZK).

"All these data serve to develop the editorial original," the Director of the WZK Colonel Stanisław Mozolewski says, and proposes that we view the technological cycle.

The original executed by a topographer and photogrammetrist is used to prepare a blue copy on a special plate which is not subject to warping. It contains all the details, and is passed on to a draftsman.

With a watchmaker's precision all the drawings are etched: rivers, roads, and other markings, as well as the shading of waters, soils, and forests, to prepare them for subsequent coloring in different hues for purposes of differentiation. It also is highly important to place markings so that they would not obscure important objects. Thus a clean copy is produced and carefully inspected. If the inspections at successive stages prove satisfactory, they are followed by final inspections for overall accuracy and logic.

The finished printing plates wander to the print shop. There, too, precision is mandatory. Lines, dots, and objects are separately printed in black, and only thereupon are colors superposed. There can be no inaccuracies. Jan Drazek, the offset press foreman, has been working here for 26 years. He handles the ready-made maps.

"Precision of fit is particular here," says Lucjan Szafranski, a master operator of offset presses. "A bridge must be accurately indicated across a river, and the color green must fit within the contour of a forest. A tenth of a millimeter is a decisive factor, as is the quality of paper, which is liable to get warped while in print. The print shop worker must have considerable experience.

The map will tell all. It is produced on a paper that is resistant to temperature, water, and other atmospheric factors. It should be respected, for it was produced by

many people who exerted extraordinary effort to make it a reliable guide. We wish success to all those who will be fortunate to buy copies of topographical maps (for the time being, only those of Warsaw, scaled 1:200,000; but other maps are being prepared)—success in using the maps so that they may facilitate orientation and movement across terrain.

#### **Photo Captions**

By now we can reproduce in newspapers segments of topographical maps. Soon these maps will be available for sale.

The printing and sales of topographical maps may prove to be good business.

Lt. Col. (Res.) Wladyslaw Zonenberg has been working with cameras and aerial photographs since 1947.

What has changed in Warsaw's topography? The interpretation of aerial photographs is a specialty of, among others, Antoni Pilatowicz.

Computer technology still harbors a huge potential for processing accurate terrain information.

## CZECHOSLOVAKIA

### Komarek Comments on Market Economy, Cooperation With West

90EC0172A Duesseldorf *HANDELSBLATT* in German  
12 Dec 89 p 8

[Report of interview with Valtr Komarek by Christa Meyer-Koester: "Questions in Prague on How To Improve the Economy's Performance; End of the Foreign Trade Monopoly—Cooperation Sought With Western Firms"; date and place of interview not given; first paragraph is *HANDELSBLATT* introduction]

[Text] "The end of the planned economy is indisputable, there is no other way to go than with the market economy." That was said by Valtr Komarek in an interview with the *HANDELSBLATT*. Komarek has been has been one of the two deputy prime ministers of the CSSR since Sunday [10 December 1989], and before then he was director of the Institute for Prognosis.

Although Komarek is a member of the Communist Party, he is among the decisive reformers, and has been one before recent events. He was already one of the reformer-communists in 1968 and was punished with every Party punishment short of expulsion. He has repeatedly made critical public comments.

Naturally, Komarek knows that 40 years of a planned economy cannot be wiped out with a single stroke. Until market economic forms develop, there will be a long and certainly difficult path to overcome. He thinks it is highly correct to consider a change in forms of ownership. State property managed by bureaucrats must be "brought to life," indeed by first revitalizing the forms of self-administration which are still provisionally shaped by the nomenclatura's candidates, as he puts it.

In other words: this representation must be changed. Then, private property must be created as quickly as possible. He conceptualizes that these could be corporations, either completely in private hands, owned by the state, or have both state and private capital participating.

The services sector of the economy has been completely ignored in the past. For it, Komarek wants expansion, if not an "eruption," as soon as possible. He includes primarily tourism and trade, and also civil engineering. According to his calculations, at least 1.5 million additional people are needed. Cooperatives as well as family-owned businesses seem to be suitable business forms.

Whether or not there is a reprivatization of state property is a political question for him. This question will arise after the first free elections which will show whether or not society chooses a liberal or socialist form. Komarek only sees "anticommunist sentiments" in all of Eastern Europe in the current situation. For him, a future Czechoslovak form of society—perhaps in the

sense of the Western socialist tradition—is a decisive component in the new recoupling with Western Europe.

### Much Clearing and Removal Yet To Be Done

He repeats that this is, however, a political question subject to free elections and not a professional issue. In practice, it is important to set in motion new mechanisms immediately which will improve the economy's performance and guarantee the public's welfare. A lot of clearing and removal work will be required. Komarek points to the fact that Czech heavy industry is bloated, with annual steel production of 15 million metric tons. The machine-building industry ties up 1.2 million employees and is also too large in proportion (to the rest of the economy). On the other hand, the entire tertiary field is underdeveloped, and light industries and above all the produce industry must operate with thoroughly obsolete machinery. These are just a few of the points brought up by Komarek, but he points out again that a range of produced goods from steel to brown coal, from cement to beer, must be thought through over again.

Structural changes in the domestic economy cannot be pursued as isolated solutions, says Komarek, but must be combined with a liberalization in foreign trade which must be more strongly tied to Western Europe. Today, exports in exchange for hard currency are worth about \$4 billion per year. They can and must be increased three-fold. One possible way appears to Komarek to be directing back exports currently going to other East bloc countries. This will be all the more important if the East bloc countries cannot pay, but is also important for a new joining in the West European economy.

Naturally, Komarek is also thinking of cooperation with Western firms. He adds that Czechoslovakia has certain advantages to offer: pay scales about one-third of those in West Germany, and that CSSR factories are quite competitive in midtechnology areas. He hopes very much that Western and Czech managers enter into discussions soon. Credit or any sort of gifts are not the primary need now, but rather an increase in trade. He already has a practical example ready: Why do Western firms, which are reducing their own steel production, buy rolled products in Third World countries? Why not from the Steel Foundry Kladno, which has a modern production (capacity), in fine steels, too, and is only 100 km (62 miles) from the German border? Komarek can foresee a potential cooperation here which would be satisfying for all partners. Before a single step towards cooperation (is taken), the CSSR has a number of tasks in front of it, such as the question of marketing.

Without any hesitation, Komarek expresses his support for eliminating the state monopoly on foreign trade. "We need absolute liberalization." Of course, even he knows that there will be a difficult transition period. He cites the krone-dollar exchange rate as one of the problems. The first possible step was taken with the cautious devaluation against the U.S. dollar (2 percent) and a more substantial devaluation against the transferable

ruble (20 percent). In Komarek's view, it will take at least a two-year transition period during which state regulation must be combined with liberalization measures.

## GERMAN DEMOCRATIC REPUBLIC

### Economists Advocate Rule of Law, Question Central Planning

90EG0081A Erfurt DAS VOLK in German  
23 Nov 89 p 3

[Article by Prof. Dr. Edwin Polaschewski and Prof. Dr. Rudolf Streich, Bruno Leuschner Economics College, Berlin: "Advocacy of an Economy Based on Rule of Law"]

[Text] To begin with, let me tell you: conceptualizing an economic reform requires strenuous work that must still be done. Rash solutions and simplified alternatives will not do. Detailed analysis has to be done and complex ideas must be developed. Variants must be weighed, and goals and steps to reach a solution must be thoroughly discussed in order to establish broad consensus. Finally, clear decisions and determined actions must be taken in order to carry out the great undertaking. Many heads—and even more, every action—are needed to accomplish this. No idea must be overlooked. As "seekers en route," we are contributing the following thoughts to this general discussion. Immediate necessary changes to rid ourselves quickly of bureaucratic excesses and superfluous, useless forms and index numbers must neither substitute for the necessary reform nor must they permit a vacuum of organized direction that invariably creates anarchy and chaos. Economic reform is an important pillar of the socialist rule of law, and we believe that the place of a socialist enterprise in the political system of society seems to be the key question, for which the experts do not have a common answer.

### What Are the Basic Considerations?

Social wealth is produced in enterprises; they are the work places of most workers. This is the social community where workers should feel comfortable and able to develop their personalities. Here they should actualize their rights and duties, while resolving, if necessary, conflicts which crop up. As representatives of independent interests, both the individual and the producer collective (as an entity, as an enterprise) must be recognized as legal subjects and be protected. Interests based on social property are met by society in and through intricately intertwined, often negotiated, and in themselves contradictory chains of relationships. Within them, enterprises behave in a specific way by making use of the categories of values which characterize socialist production of goods (cost, price, credit, profit, etc.) and the market. An economic reform must take account of this fact.

### Do Not Throw Out the Baby With the Bathwater

This also indicates which of our past measures have turned out all right and which changes and reform attempts have failed. Joining research, production, and sales into efficient combines, rolling back the "barrel philosophy," gradually strengthening profits as a measure of performance, and taking the very first steps towards the normatively regulated—as yet by no means comprehensive—earning of profits from own efforts. Of course, excesses in the formation of combines (primarily in local industry) ordered from the top, and of schematic structures of organization and management (even small and medium-size businesses have the right to exist in our age!) must be corrected at an early stage. However, the baby must not be thrown out with the bathwater!

To us, the fact that, so far, not all economic reform attempts have been accompanied by corresponding changes in the political system and therefore have been doomed to failure seems to be of crucial importance.

### Looking at the Entire System

The economic management and planning system set up as a result of war damages and the formation of social property has, to this day, never been seriously examined in terms of whether it is still valid under the changed conditions.

Its basic pattern is based on the objective of more or less linear growth and on a quantitative direction of the economy, in which economic relations and value categories were merely a supplementary function, but in which they were at no time a truly dominant factor of doing business. Today we must develop a fundamentally new understanding of aggregate social planning and of the way government planning, and financial and credit organs are working.

The current procedure of "passing on" a centrally planned target with hundreds of index numbers directly down to the enterprises and of forcing them to endorse them, must basically be questioned. It leads to a centralist command economy and its bureaucratic excesses. The result was a contradiction: while responsibility increased extensively (that corresponds to actual experience) from the central office to the enterprise, the exact reverse was true for the latter's ability to make decisions and the actual availability of funds necessary to do so.

What is needed is an economy that is subject to the rule of law. This has led us to the following conclusions:

### Legal Situation Must Be Clearly Determined

1. The legal situation of the economic entities—enterprises, combines, components, collectives, and cooperatives, including such entities as businesses, trades, services, and retail entities, which are outside of this discussion—must be clearly determined in order to

make it possible to properly assign competencies, balance rights and responsibilities in economic relationships, and ensure the unity of the decisionmaking authority and the economic responsibility for their success or failure.

2. Restoration of nationalized property so that workers, as the real socialist owners, have a say in determining the goals and purposes of their production and so that each individual, like the entire producer collective, shares in the results, according to the contribution he has made. This requires comprehensive economic democracy and the effective prevention of any interference in economic operations and of unauthorized organs and noncompetent persons giving orders to enterprises. Economic management under the rule of law must take place within the legislative framework through the parliament and the government, under broad public supervision.

3. The duties and manifestations of government regulation, supervision, and control over economic activities need to be reexamined. Strategic state planning is inevitable for any modern economy. In certain areas (infrastructure, ecology, energy, etc.), direct planning is absolutely necessary, while in others—primarily the consumer goods area—relations can largely be spelled out and handled through contracts.

#### **Economists, Managers Interviewed on Future Agricultural Policy**

90EG0092A East Berlin NEUE DEUTSCHE  
BAUERNZEITUNG in German 24 Nov 89 pp 4-5

[Interview with Prof. Dr. Karl-Heinz Struebing, Dr. Klaus Kopmann, Fritz Neye, Wolfram Lehnhardt, and Prof. Rauhe [not further identified] by Dr. Manfred Grund and Herbert Weimar; date and place not given; first paragraph is NEUE DEUTSCHE BAUERNZEITUNG introduction]

[Text] Discussions are now going on about the various possible methods for transforming our society and getting it out of its critical situation. The issue of economic reform has joined that of political reform on the agenda. Our readers have been discussing the future of farming in this newspaper. Many letters received by the editorial board and referring, among others, to the SED [Socialist Unity Party of Germany] program for action, are preoccupied with the independent responsibility of the LPG's [Agricultural Producer Cooperative] and their members, the enterprise structure, the performance principle and the initial contribution of industry. The following shows the views of some experts:

Fritz Neye, chairman of Rhinow LPG and of the Cooperation Council in Rathenow Kreis: "Quite a lot could be achieved by a federation of cooperatives."

Wolfram Lehnhardt, chairman of Bockwen LPG and of the Cooperation Council in Meissen Kreis: "Obsolete food processing enterprises compel production at any price."

Dr. Klaus Kopmann, head of the plant production department at the Ministry for Agriculture: "As few obligatory targets as possible even for the 1990 enterprise plan."

Prof. Dr. Karl-Heinz Struebing, director of the Institute for Socialist Management at the Academy of Agriculture in Boehlitz-Ehrenberg: "A free feed market might well alleviate disproportions."

NEUE DEUTSCHE BAUERNZEITUNG: What are the main concerns in your cooperative?

Fritz Neye: Being chairman, I am just about overwhelmed by the flood tide of discussion. There is a lot of criticism from below—and helplessness above. I attended talks in one or the other collective almost every night. With respect to the affairs of our Rhinow LPG and its 9,700 hectares, a consensus is emerging according to which we need smaller production units that members can properly survey and where they can work on their own responsibility. Included are various ideas about merging crop and animal production. At the same time our members are developing a greater sense of cooperative ownership. That happens mainly at the village level and is a matter to be taken into account with regard to future organization and management. We will thoroughly consider all proposals at the board, brigade, and cooperation council level. Undue haste would surely do more harm than good.

Wolfram Lehnhardt: Quite so. In my view it is crucial to be sensible and prudent about the reform of agriculture. We must not simply demolish that which has been shown to be appropriate and good. Moreover, a farmer should always be mindful that conditions vary enormously among LPG's and cooperations. Our cooperative, for example, is only half the size of the Rhinow LPG. We supply livestock feed to only one partner in animal production. Consequently the desirability of smaller size units or mergers do not concern us.

#### **Restoring Proper Circulation**

NEUE DEUTSCHE BAUERNZEITUNG: What, then, are the topics debated in Bockwen?

Wolfram Lehnhardt: Above all the strict observance of the LPG law by the state organs. According to this law, outsiders are not permitted to interfere in the cooperative. The farmers are supposed to assume responsibility—also for spending money and including consumption. They will also have to be able once again to independently decide about interenterprise facilities, such as the ACZ's [agrochemical centers] and ZBO's [intercooperative construction organizations]. All this is likely to strengthen the members' pride and sense of ownership.

Dr. Kopmann: A remark on state targets: Only a few will be issued to LPG's or their cooperations in 1990, within the framework of enterprise planning. We are surely in agreement that, from the aspect of the national economy,

we cannot do without them entirely. After all, supplies for the public must be safeguarded, whatever happens. Our sector has always accepted its obligations and should continue to do so. In the various districts, kreises and LPG's specific proportions as well as certain enterprise structures have therefore emerged for crop and animal production. Though these are quite often not profitable, they cannot be changed from one day to the next.

Prof. Rauhe: Let us stay with this issue. In my view it holds the key to the necessary reformation of farming. Our friend Neye from Rhinow is quite right: The village where the farmer lives and works needs to become once again the starting point of the organization. The sense of ownership will then follow. Let us be quite frank: I consider the "rounded" enterprise at the level of one or two villages to be the naturally most advantageous enterprise structure in terms of the economy and the ecology, both. The unfortunate separation of field and barn results in a severe loss of efficiency. Moreover, and specially harmful: The natural interaction soil-crop—livestock-soil is disrupted. Consequently, humus is used lavishly in Gera and Karl-Marx-Stadt districts, because livestock holdings are very large there, while shortages persist in Halle, Magdeburg, and Neubrandenburg. The environment suffers, the water supply is threatened in both regions—either by the high incidence of sewage or by the application of large amounts of fertilizer. That is the result of economic management disregarding the givens of nature.

Prof. Struebing: You are quite right: Farm management and ecology need to be harmonized. This will be a new component in our economic policy. However, my dear Rauhe, you have somewhat oversimplified the issue. The organization of a LPG cannot be handled by the village alone. Other factors impact it also, such as the location of the various production sites, and these factors will always result in a variety and combination of methods. Moreover, the disproportions existing in a specific territory between crop growing and animal husbandry cannot be so easily abolished. To do so usually requires investments—for example, to reduce livestock holdings in the south of the GDR and expand them in the north. We calculate that this measure would require a period of about 15 years. To at least lessen the disproportions between the supply of feed on the one hand and livestock holdings on the other I have a different proposal—setting up a feed market in the GDR. This might well result in a balance between regions without administrative interference in the LPG's.

#### Vertical Cooperation Gaining Importance

Prof. Rauhe: I am against that, because it will lead to feed being constantly ferried across the country, while circulation will not improve. Any cooperation is able to properly utilize the free factors of nature only if—and that is a rough estimate—it has available at least about 1 fGV [expansion unknown] per hectare.

Wolfram Lehnhardt: The thought of a free feed market is quite interesting, specially from the following aspect: We farmers all agree that the officially subsidized food prices resulted in tremendous waste. As a result, vast quantities of bread, oatmeal, and potatoes ended up in feed troughs. What will happen once these products get to be more expensive? The sheds of small livestock holders will empty. We cannot be indifferent to this prospect, because individual holders make an important contribution to supplies. On the other hand, their contribution would be maintained if it were possible, for instance, to buy the necessary feed in BHG [peasant trade cooperative] stores.

NEUE DEUTSCHE BAUERNZEITUNG: The sense of ownership, balanced proportions and the performance principles are all issues that have long preoccupied farmers. Are there any new thoughts and ideas conducive to advancing the change in farming?

Prof. Struebing: From the aspect of the ecology, the average 1.25 fGV per hectare now prevailing in the GDR cannot be justified in the long run. Prof. Rauhe has explained that. This large number results from the fact that we are keeping livestock as a food reserve. But is method this not far too expensive? We will have to reconsider that question. The excess animals harm the environment, require a considerable amount of feed and manpower. Let us rather concentrate on intensifying output. If, for example, we were to consistently raise milk yields per cow by 1,000 kg, we would be able to save 25 percent of the working hours per product unit and abandon dilapidated barns to the same extent. We are in any case short of skilled manpower.

Wolfram Lehnhardt: In addition, we should stop to, so to speak, artificially inflate the consumption of food and, therefore, feed and grain. This happens because the entire food industry and the food trade are underdeveloped. Consequently, a considerable amount of the products of field and barn does not get to the customer. We suffer significant losses. For vegetables alone, losses are estimated at 25-30 percent. Moreover, quite a lot of meat and sausages ends up in the garbage can. This state of affairs now compels us to keep livestock in every shed and offer animal husbandmen intolerable working conditions.

Prof. Struebing: Indeed, vertical cooperation—that is, the rational provision of the end product—must take pride of place in agricultural thought and action. Let us consider this comparison: While the production of 1 kg of food involves a loss of 100 grams in the FRG, the loss in the GDR amounts to 300 grams. In our country, just 100 grams corresponds to a primary production of 5 GE [grain units] per hectare! In other words: The same output in the field and the barn could provide a much higher level of supplies; trade and processing would attain a modern standard. We therefore require a new policy.

Dr. Kopmann: We have already embarked on the first steps toward this end. Investments for meat and dairy producing enterprises have been assigned priority, while rationalization of animal husbandry is a close second. Incidentally, I am all in favor of openness prevailing with regard to the distribution of scarce means of production. The RLN's [councils for agricultural production and the foodstuffs industry] should be given the power of allocation. Of course, within the framework of farmers' self-administration, these organs would also have to be equipped with decisionmaking powers.

### Gearing to Markets and Being Competitive

Prof. Struebing: Another thought on this issue: Would it not be beneficial for GDR LPG's to set up a federation of cooperatives to look after their economic interests and, on their behalf, establish and operate warehousing, trade and processing facilities. We could begin this for fruit and vegetables where, as we all know, much is remiss. Of course, farmers should make appropriate profits in accordance with their contributions. Such a federation, governed by farmers, would have adequate resources and, above all, would be able to react flexibly. Neither a cooperation association nor an AIV [agro-industrial association] is able to handle such a task. Let us admit it: We are working in a situation where the borders are open and must try to be competitive on the world market.

Fritz Neye: In my capacity as chairman I would very much like to see such a federation of cooperatives. Let us not be afraid to learn from farmers in advanced capitalist countries such as the FRG and the Netherlands. In these countries such organizations are indispensable for the ability to quickly offer high quality produce on the market. I agree with Prof. Struebing that we will have to increasingly gear ourselves to this standard.

Wolfram Lehnhardt: Quite true but—let me say it quite bluntly—the very first requirements is that of the LPG's being able just to produce. They urgently need industrial equipment—milking facilities, machines for barn work, tractors, herbicides, and insecticides...We all know that even the simple reproduction of equipment has not been guaranteed for many years. Many sections have come to incur large deficits that are costing us dear. By now we have definitely arrived at the upper limits.

NEUE DEUTSCHE BAUERNZEITUNG: It therefore seems imperative within the framework of the overall economic reform to also develop a conception for the farm machinery industry. What are the answers needed?

Prof. Struebing: It will be imperative, for example, to decide what machines and appliances we should manufacture in the GDR itself and what we should import from now on. Our former policy, stressing the greatest possible autonomy, can no longer be maintained in view of the rapidly advancing international division of labor and cooperation. Let us make combine harvesters and chaff cutters, because we are good at that, sell some of them and, with the proceeds, import other machines.

And all of that at prices geared to the world market, so that producers may have a point of comparison.

Wolfram Lehnhardt: At the moment farm machinery construction especially displays a good deal of absurdity. For instance, a top class feed cutter has been developed, but the old model continues to be manufactured. At the same time scientists in Meissen have designed an excellent pickup trailer that promises a large advance in the efficiency of transportation, but industry is incapable of constructing it. LPG's in Meissen are now building some prototypes at great expense. None of this represents a future-oriented solution.

## HUNGARY

### Deposit Interest Rates To Be Increased

25000571A Budapest HETI VILAGGAZDASAG in  
Hungarian 23 Dec 89 p 9

[Text] Consistent with the 19 to 19.5 percent inflation rate predicted for 1990, the highest permissible interest rate payable on individual savings is also expected to be increased, according to a Hungarian National Bank [MNB] proposal approved by the government last week. Financial institutions may pay a maximum of 14 percent interest on sight deposits, a maximum of 22 percent on short-term securities, and 26 percent on deposits and certificates of deposit for terms in excess of one year. (1989 regulations permitted the payment of a 12 percent maximum interest rate on deposits held for less than one year, 23 percent interest on deposits committed for between one and three years, and 20 percent interest on certificates of deposit.) A comparison between the old and the new interest rates is made somewhat more difficult by the fact that the 20 percent source tax after deposit interest is paid by financial institutions, while tax on the interest related to securities is paid by the owners of those securities. Insofar as the interest rate ceilings are to be understood to apply to gross values, the new rules may cause concern, for example, to the Savings Bank ["Takarekbank"], which in recent weeks announced the availability of its new, short-term, three-month cashier's certificates by offering a 23 percent gross yield. For the time being it has not been clarified whether the new interest rate ceilings will also apply to securities issued by the state. In mid-December, for the third time this year, interest rates applicable to treasury certificates were increased: from 16 percent to 22 percent in regard to three-month treasury certificates, from 17.5 percent to 23 percent for six-month certificates, and from 19 percent to 24 percent on nine-month certificates.

### Philosophy of Proposed Antitrust Law Discussed

25000570 Budapest HETI VILAGGAZDASAG in  
Hungarian 23 Dec 89 p 62

[Interview with Ferenc Vissi, chairman of the National Pricing Office: "Advantage for the Smaller One!"; date and place not given]



[Text] Ferenc Vissi, chairman of the National Pricing Office, lead the work on codifying the law on competition. We asked him to discuss the philosophy of the law.

[HVG] The present draft is substantially different from the "socialist" competition law adopted in 1984, which was never applied in practice. At the same time, you did not transplant the "competition code" of a well functioning market economy into the Hungarian legal system. Would this law represent a middle of the road approach?

[Vissi] By no means. This is why we maintained continuous consultations with experts from the European Economic Community and the World Bank, and studied competition rules in the United States and European countries. We wanted the Hungarian law to satisfy the requirements of market economies. It is important that identical concepts mean the same thing in Hungary and in the states of the community. We should not have to explain the entire competition law to a French businessman, because the foundations of our law are the same as those of the law he is familiar with. Only the differences should have to be explained. For example, at the point where the law deals with control over mergers, the examination of cartels, the numbers must relate to the economic developmental level of each country, they must be adjusted to that level. Or: Penalties for the illegal use of superior power in Hungary may take place in the form of prescribing an official price—a method unknown to the competition laws of several European countries. But these are the exceptions. Conformity and similarity are characteristic overall. This is true, if for no other reason, because I believe that there is full agreement in Hungary concerning the idea that we must change so as to become a market economy. We have been preparing for this task for several years. Last summer the government approved our proposal with regard to market and competition policies which we prepared in the spirit of the reform committee's work. Its most essential elements are an opening to the external market, linkage with the Western integration, incentives for entrepreneurship, and privatization. All these must be supported by the law that provides standards for fair business conduct.

[HVG] Equal conditions for competition are proclaimed in individual countries, but if I understand this matter correctly, a certain percentage of state procurement contracts must be awarded to small businesses. The National Association of Entrepreneurs [VOSZ] also seeks clear competitive advantage for private entrepreneurs.

[Vissi] Yes. In Sweden, starting small entrepreneurs receive tax benefits and may count on easier credit terms. There are places where part of government procurement contracts is won by small entrepreneurs, even if their price offer is a few percentage points higher than the offer made by large firms. The Cartel Office would not object if a statute providing for advantages did not

aim for restraining competition, but for the expansion of competition, by shattering monopolistic conditions.

[HVG] Could this law be used to "blow up" already existing monopolies?

[Vissi] The handling of monopolistic situations and situations in which there is superior power is primarily the job of government. If the government indeed follows firm market and competition policies, monopolistic firms will be constrained to transform themselves sooner or later. Launching a general attack on monopolies is not the function of the competition law. All the law does is that in the future, based on preliminary investigations it prevents the evolution of monopolistic creatures. I would like to stress that the competition law was a topic of discussion in the trilateral negotiations, and all three sides adopted our proposal both as to its spirit and the solutions offered. We are looking forward to receiving suggestions and comments from parties, social organizations, business organizations, and citizens in regard to the proposed laws.

#### **SZDSZ Sympathizer Soros To Buy MAGYAR NEMZET**

*25000571B Budapest HETI VILAGGAZDASAG in Hungarian 2 Dec 89 p 6*

[Unattributed article: "They Are Buying Up the Daily Newspapers"]

[Text] In regard to the sale of MAGYAR NEMZET, at its Saturday meeting the presidium of the Patriotic People's Front [PPF] accepted an offer made by Gyorgy Soros, vis-a-vis Andrew Sarlos' offer. According to this arrangement a stock corporation with 100 million forints of basic capital would be formed to publish MAGYAR NEMZET. Soros would contribute a 35 percent share, the PPF 20 percent, the Postabank 30 percent, Pallas Publishers 12 percent, and the newspaper employees three percent. The rejected offer made by Sarlos involved 120 million forints in basic capital, to be subscribed to by Sarlos, Skala, the PPF, Pallas, and MAGYAR NEMZET, in the following proportions: 30, 38, 20, 20, and 2, respectively [as published]. Presumably the two prospective foreign buyers have agreed that the loser would once and for all surrender this business deal in favor of the winner. At the same time, however, a third interested party, the FRANKFURTER ALLGEMEINE ZEITUNG, also emerged. "Entry by the West German newspaper is conceivable if the basic capital is increased, nevertheless it would be desirable to keep the ratio of the foreign contribution below the 50 percent level," according to PPF Executive Secretary Istvan Kukorelli, responding to HVG's question. The PPF presidium also agreed to the appointment of Jozsef Martin as editor in chief, replacing Istvan Soltesz who resigned, and the appointment of Tibor Petho as chairman of the editorial board. Petho is the son of the newspaper's founder, and he has served as one of the lead editors. The PPF agreed to a recommendation

advanced by editorial workers, according to which the relationship between the PPF and the newspaper would be subsequently governed by a contract, including a provision which prevents the founders from transferring the newspaper to political parties in the future. This proclamation is noteworthy because those familiar with political trends believe that Sarlos favors the views of Imre Pozsgay and his followers, while Soros is closer to the followers of the Alliance of Free Democrats [SZDSZ]. Incidentally, the purchase of MAGYAR NEMZET was not Sarlos' last hope for buying a newspaper. We were informed that he has cast his eyes on several Hungarian daily and weekly newspapers and has expressed an interest in making Hungarian Television "stand on its own feet."

During the same week the distribution, printing, and business professionals of the British Maxwell newspaper empire held negotiations in Budapest. As reported earlier, the British press magnate issued a statement of intent a few weeks ago, according to which he would purchase 40 percent of the MAGYAR HIRLAP stock. The remaining 60 percent would be held by Pallas Newspaper and Book Publishing Enterprise, the employees of the newspapers, and by financial institutions, banks, and enterprises. The parties have not yet agreed upon the value of property. In any event, the newspaper's employees believe that Pallas' intent of declaring an 87 million forint capital contribution is overstated, considering the editorial offices of MAGYAR HIRLAP and the modest technical equipment to be contributed. The confused ratio is explained by the fact that according to some reports Pallas would request only 200 million forints for the New York Palace, while other reports claim that the asking price for the building is 500 million forints. Incidentally, the Office for the Organization of Agricultural Business Management [MUSZI] has expressed an interest in purchasing that building.

### **SZDSZ on Long-Term Systemic Change**

*90EC0197A Budapest MAGYAR HIRLAP in Hungarian 30 Dec 89 p 5*

[Interview with economist Attila Karoly Soos, by Eva V. Balint; date and place not given]

[Text] Last March the Alliance of Free Democrats [SZDSZ] was first to publicize a program calling for a change in the system. In it we find the SZDSZ's carefully developed economic program. The most important elements of it are a modern market economy based on private property, the struggle against monopolies, proprietary reform, etc. The country's economic situation has become much worse since last spring, and the European constellation (with particular attention to the Central-Eastern European revolutions that followed the domino principle) has improved a lot. I asked economist Attila Karoly Soos how the SZDSZ reacts to this. He had a part in developing the program.

[Soos] Undoubtedly the country's economic situation has become much worse since we developed and approved our program, and we must draw the appropriate conclusions. Including this consideration, I believe that our original program text better reflects today's situation than the somewhat optimistic diagnosis made by the other parties. In my view, under today's circumstances a limitation of domestic consumption is unavoidable, however, by stimulating entrepreneurship and savings, the population could be persuaded to voluntarily surrender part of the consumption. And the populace should not do this in response to fiscal measures or price increases. We must change our interest rate policies. We must endeavor to accomplish sober, well considered reductions in the tax rate, and as I mentioned before, to stimulate entrepreneurship. Entrepreneurship requires a system of guarantees. An increase in foreign credit sources would be futile if by the government's fault entrepreneurial inclination declines. Entrepreneurship could be supported through the establishment of industrial parks, for instance. The buildings of shut down enterprises would be excellent for such purposes.

[MAGYAR HIRLAP] Reprivatization is one of the key points of your program. Hungarian capital would be able to absorb only a negligible part of the national assets. Thus, selling out these assets can hardly be avoided, but how can it be prevented?

### **Prejudiced Approach**

[Soos] I believe that the agitation related to selling out is without foundation. Western reprivatization techniques permit only an extremely slow process. For example, Margaret Thatcher was able to sell only one or two enterprises per year. She did so in a very honorable manner and on good foundations, nevertheless she was attacked by many for squandering the state's property. It is our view that opportunities for corruption should be limited, the ones that appear at present are relative to the spontaneous acquisition of property. Selling out at too low a price could be prevented by introducing a mandatory reporting system. In other words, an enterprise would have to report the fact that it is initiating some kind of transformation or sale. We also want to increase the role of public auctions. But we cannot make such auctions obligatory. The problem is that if we prevent potential owners from profiting, the transformation of ownership must be postponed and left for the distant future. We must prevent this by all means, because the dominance of state-owned enterprises does not permit the market economy to function.

[MAGYAR HIRLAP] As far as forms of ownership are concerned: We have been saying for decades that state property is good, and that private property is bad. Now we are saying the opposite. But far more complex forms of ownership exist in developed capitalist countries....

[Soos] Quite naturally, our program deals with today's ownership forms, not with those of the 19th Century.

This, however, does not mean that accelerated transformation would be heading toward dominance by institutional owners. Such transformations would lead to disturbances and waste, and although we regard the role of institutional owners as important, we would not regard as fortunate an explosionlike proliferation of institutional owners.

[MAGYAR HIRLAP] Does the SZDSZ have a strategy with regard to state monopolies?

[Soos] The need to establish a cartel office has emerged at the roundtable negotiations. This is our position, and we would like to see that office established as soon as possible.

[MAGYAR HIRLAP] In studying the SZDSZ program I find that you do not want to see a new kind of state industrial policy, but indeed you are demanding the liberalization of state industrial policy. What kinds of developmental preferences do you have in mind?

#### **They Demand Liberalization**

[Soos] The need for state support arises relative to enterprises which experience difficult situations as a result of exports to the Soviet Union. Nevertheless, we would like to reverse this matter, as compared to the situation we had before. The state should rush to provide financial support to enterprises only if banks are willing to join the assistance program at their own risk.

[MAGYAR HIRLAP] Now that the Eastern European situation has changed the way it has, have you thought of some new kind of Eastern European cooperation?

[Soos] In the area of economic relations we consider the acquisition of developed technology to be most important, and this can be expected only from the West. This fact defines our orientation. Along with this, we also intend to develop our relations with neighboring countries, of course, but in this regard we must proceed in the direction of settlements to be made in convertible currencies. We are in a difficult situation because changes are taking place so quickly that we are not yet able to react to these changes in an appropriate manner. As has already been revealed, the SZDSZ is negotiating with Czechoslovak partners over the Bos-Nagymaros barrage. But we also complied with a request made by the IMF to the effect that our experts are also involved in the negotiations. It was in the course of these negotiations that we brought up the issue of ameliorating our debt problem. The IMF manifested great reserve in this regard. We also established contact with Hungarian businessmen abroad, and we are seeking appropriate partners in order to be able to make progress in regard to easing our indebtedness.

[MAGYAR HIRLAP] To what extent could the SZDSZ economic strategy change by the beginning of the 1990's?

[Soos] Unfortunately, the possibility of insolvency exists, and we must develop a program for this eventuality. We

do not have a detailed program for an insolvency situation, but we have a sufficient number of economic experts to develop such a program.

#### **Advice to the Government**

[MAGYAR HIRLAP] As long as we are talking about experts: What's the difference between the SZDSZ economic policy and the government's economic policy, considering the fact that the advisers to both organizations are the same persons?

[Soos] This is a widespread view, nevertheless there is not much overlap. Unfortunately, the government's economic activity seldom reflects the views and activities of advisers. Doubtless, however, we agree with the government's economic advisers on many issues. It is equally true that the government usually requests our advice, and we comply with their request. But the most essential difference between ourselves and the government is that we expressly want capitalism, and that in every respect the steps we take are in that direction. This is the long-term prospect. In the short run we want to see that entrepreneurship is stimulated not only by words, but also by actions. And we envision the opportunity for reduced consumption not in price increases but in the stimulation of savings. Because, after all, this would enhance evolution.

#### **IBUSZ To Raise Capital, Stock To Be Sold in Vienna, Budapest**

*25000571C Budapest HETI VILAGGAZDASAG in Hungarian 23 Dec 89 p 10*

[Unattributed report: "IBUSZ-Privatization"]

[Text] Beginning in April, the stock of the Tourism, Foreign Exchange, Travel, and Shipping Company [IBUSZ] will be traded on both the Budapest and the Vienna exchanges, according to Erika Szemenkar, president of IBUSZ, and Rudolf Fiala, deputy managing director of the Vienna-based Girozentrale Bank. IBUSZ is now operating as a real stock corporation should. At IBUSZ' November general meeting the owners voted in favor of increasing the firm's capital from the previous 1.2 million forint level to 800 million forints, and an agreement in principle was reached to pursue a further increase of 400 million forints in capital at a later date. An audit, indispensable for a firm's introduction to the stock exchange, was performed by Price Waterhouse public accountants. Girozentrale agreed to introduce the IBUSZ stock in Vienna, and provided a guarantee that it would sell the stock at market prices. (Girozentrale plans to establish an investment company in Hungary to be engaged in similar transactions.) In the process of subscribing to IBUSZ stock almost 400 million forints worth of stock will be offered to foreign institutional investors, while 10 percent of the 800 million forints that remain in Hungary will be sold to Hungarian investors. Half of this, i.e. 40 million forints worth, will be offered for sale to IBUSZ employees in the framework of an employee

stockholder and ownership plan; the other half will be traded on the Budapest Exchange.

### **GE Vice President Interviewed on Sale of Tungsram**

*25000571D Budapest HETI VILAGGAZDASAG in Hungarian 2 Dec 89 p 22*

[Interview with Paolo Fresco, vice president in charge of European affairs at General Electric Company International, by Akos Tomory: "The General Electric Vice President Responds: 'Today's Hungary Is Reminiscent of Italy in the Late Forties'"; date and place not given]

[Text] The transaction in which General Electric Company (GE) purchased more than 50 percent of Tungsram stock for \$150 million is regarded as the largest scale investment in postwar Hungarian history. As reported earlier, part of the Tungsram securities were transferred into the ownership of the Austrian Girozentrale financial institution last May, with the condition that it would introduce the famous Hungarian enterprise to the international securities exchange system. At this point everything has changed. Halving the \$40 million profits it earned in the course of a few months, Girozentrale quit the deal and henceforth the Hungarian Credit Bank has been conducting negotiations with the Americans. What else is to be done before consummating a contract? What can Tungsram expect if one of its largest competitors is the boss in the house? Who will be retained, who will be let go, and how will the employees be paid? These are the questions we raised to Paolo Fresco, GE International's vice president in charge of European affairs.

[HVG] In several of your statements you discussed the marriage between GE and Tungsram as if the agreement had been sealed already, even though at this point there are only statements of intent. In this case the stage which this transaction has reached is not a result of Hungarian difficulties. It is no secret that GE is seeking a government guarantee that Hungarian energy prices will not increase—at least as far as you are concerned—to an extent that they exceed world market prices and that taxes levied on your venture in Hungary will be within the zero tax bracket.

[Fresco] We are not seeking privileges. We are looking for affirmations instead. Before we began negotiations we made a thorough assessment of the Hungarian economy. Thus we are aware of what our expectations may realistically be. The framework was established by Hungary: The opportunity to repatriate profits, the fact that the goods needed for production of goods to be exported will be duty free, and the fact that the manufacturers of particularly important products will be working on the basis of a zero tax rate.

[HVG] Next year there will be parliamentary elections in Hungary. What guarantees can an agreement reached with a government that has an uncertain future provide? Aren't you concerned that the present agreement may be forgotten next year?

[Fresco] In the civilized world every government accepts the obligations of its predecessors. A handshake may lose its significance when the persons change, but a written and legally sanctioned contract cannot. We are always dealing with governments when it comes to investments, and we are used to the practice that successors honor individual agreements. For example: The Gaullists were in power at the time we were conducting similar negotiations in France, while after the elections the socialists formed a government. This change, however, had no influence on our business agreements.

[HVG] Even in this way many lack confidence: What are you planning to do; what role have you assigned to Tungsram within the GE empire of enterprises?

[Fresco] We need a well organized factory that operates at the level of international standards. We agreed to transfer developed technology to the Hungarians, to train their leading professionals, and to support the firm's investment projects by providing about \$50 million. According to our plans Tungsram may double its exports to Europe in the course of five years, and by the millennium it may double its production volume as compared to the present level. Simultaneously with the signing of the agreement, we are transferring our European wholesale network with a \$70 million sales volume to Tungsram for \$20 million. This way Tungsram would become GE's exclusive representative in the European light bulb market.

[HVG] The question is what the new "United Europe" will have to say to that, as well as the giant firms of Philips, Osram, and Thorn EMI, all of whom are concerned about their internal markets. Would it be conceivable that under protectionist pressures GE would remove its capital from this market and leave Tungsram to its own?

[Fresco] We will, of course, take the necessary steps if Tungsram does not develop a capacity to export. On the other hand, Hungary has very good relations with the EEC, and it depends only on you that this situation remain unchanged. I do not see any sign of discrimination against Hungary at the EEC level, and it would be virtually inconceivable that a firm or a government trying to protect its markets would take such steps, thereby counteracting Eastern European democratic development.

[HVG] The way I understand the matter, you are not going to leave everything to the Tungsram people, however. I have "cadre policies" in mind. Even though you are sending your own managers to Tungsram, for what reason was the post of the president in the new joint enterprise now being formed offered to the person who has served as president thus far? Was this also a part of the bargain?

[Fresco] Tungsram workers and your government stated that the opportunity to apply GE management methods has played a significant role in deciding to become part

of GE. Thus we are making efforts to increase Tungsram's ability to compete by using our own methods, and therefore—at least in the beginning—a few of our own people will occupy leadership positions. We will of course gradually exchange the "imported leaders," once Hungarian professionals acquire an ability to become part of the firm's blood circulation. We are planning to institute an expanded cadre training for Hungarians both here in Hungary and in the United States. As far as the president is concerned, we need an experienced leader familiar with the affairs of the enterprise to the smallest detail, one who is able to adapt himself to the quickly changing Hungarian economic conditions.

[HVG] Will the GE standards also apply to wages?

[Fresco] There are no universal standards for the payment of wages, therefore, "in Rome we conduct ourselves like the Romans do." In an investment project established in the Federal Republic of Germany the wages and expenses will not be the same as in a business deal struck in Portugal. We are paying for the work performed by workers, and we reward them on the basis of their performance. On the other hand, their income will always depend on the kind of economic environment in which they perform.

[HVG] Many Hungarians are concerned about their jobs because of the appearance of foreign employers, and thus also as a result of the sale of the Tungsram stock. In other words, they are concerned that not only the former management, but also many of the employees will become superfluous.

[Fresco] Look, with its present setup, the way it is isolated, Tungsram would not have been able to protect itself against market pressures, and therefore cutbacks and layoffs should have been expected under all circumstances. Indeed, the present leadership has already decided to accomplish significant counterdevelopment. It is too early to discuss plans, but counterdevelopment will take place on a smaller scale once it is proven that Tungsram is capable of increasing its performance. Incidentally, we are also contemplating other activities in Hungary, independent of Tungsram. In any event, it is very difficult to follow the rapid changes in the economic situation, but we are hopeful that these changes are progressing in the right direction. The way I see it, Hungary is reminiscent of Italy in the late forties. That period was the beginning of an "economic miracle."

## POLAND

### Polish-Libyan Economic Cooperation Viewed

90EP0250A Warsaw RYNKI ZAGRANICZNE in Polish  
No 138, 18 Nov 89 p 8

[Article by Ewa Latoszek: "Libya, a Significant and Promising Partner for Poland"]

[Text] Even now, Libya is our significant commercial partner, and in the near future it may become a still more attractive partner. However, this will only be possible in the event of adjusting to a considerably more restrictive import policy of this country than has been the case thus far.

In recent years, Libyan revenues due to the exports of crude oil have declined by about two-thirds compared to the early 1980's. The economy of that country depends to a tremendous degree on the extraction and processing of this raw material. This is why Libya, which heavily depends on the imports of consumer and producer goods, has been forced to introduce import rationing and make essential changes in its domestic economic policy.

The development of petrochemistry and the implementation of the project of the century "the great artificial river" continue to be recognized as priorities. The objective is to deliver fresh water to the area of Great Sidra from the underground reservoirs located under desert sands in the area of Kufra. Meanwhile, the implementation of development plans in the field of infrastructure, iron and steel industry, and the power industry has been markedly slowed down. Despite these limitations, Libya gives certain preferences to Polish exporters. This is presumably associated with paying our debt to this country.

Last year, our exports to Libya amounted to US \$240 million, and were our highest exports to any developing country. Poland also ranks first among the socialist countries as a supplier of goods to the Libyan market. In 1988, our exports of goods to Libya amounted to US \$90 million compared to, say, Hungary delivering goods worth a dozen or so million of US dollars over that period of time.

Metalexport has registered the greatest achievements in sphere of exports of goods. It has signed a contract worth about US \$80 million with Libyan partners for the delivery of school workshops and visual aids. At the same time, further contracts worth about \$200 million are being negotiated. Elektrim which is currently carrying out contracts worth about \$100 million in total ranks second. Universal and Textilimpex are important exporters to the Libyan market as well.

Exports of construction projects and broadly defined services are an important item in our exports to Libya. Last year, such trade with Libyan partners amounted to about US \$150 million. In 1988, Budimex and Dromex carried out contracts worth about \$120 million. They mainly involved infrastructure. The sphere of medical services also plays an important role. In total, about 1,700 Polish doctors and nurses are currently employed in that country.

Likewise, technical advisory services are an important sphere of operations. These are, among other things, consulting services and operating enterprises of the machine-building and chemical industries. Besides,

Poland exports to Libya geological and mapping services. Total exports of our services (excluding construction) amounted to about US \$30 million.

For a majority of Polish enterprises operating in the Libyan market, financial issues are regulated by a November 1984 bank agreement between the Central Bank of Libya and the NBP [National Bank of Poland]. It took effect on 1 January 1985 and will expire at the end of this year. It involved conditions for the repayment of our debt to Libya. Pursuant to this document, obligations subject to the transfer to Polish enterprises for the goods and services exported are included in the payment of our debt to Libya. One hundred percent of all sums due to Poland and not settled for before 31 December 1984 have been allocated for the repayment of debt. In turn, 70 percent of obligations generated after 1 January 1985 are applied to the repayment of debt. The remaining 30 percent of transferred obligations were to be left at the disposal of the NBP in a special account and allocated for purchasing crude oil. The transferred segments of wages and remunerations of Polish specialists and employees working in Libya were not to be covered by the agreement.

The introduction of a new hard-currency law made the financial situation of Polish enterprises covered by the bank agreement difficult. To be sure, the NBP continues to settle with them at the official rate but the companies are forced to buy hard currency at auctions for the zlotys secured in this manner. Previously, these enterprises drew a certain guaranteed amount of US dollars from the state budget. In theory, they were allocated solely for companion imports, but in practice they also covered expenditures entailed by the hard-currency salaries paid to employees working abroad.

Undoubtedly, this amounts to a quite significant obstacle to the operation of Polish enterprises rendering services to Libyan partners, and not just the largest enterprises but also small companies such as, for example, the Wadeco.

This company which is called the PUC [Enterprise for Consulting Services] Wadeco entered the Libyan market in 1975 as the general contractor for an export contract to develop the master plan of a sewer system in Tripoli. It is noteworthy that at the time the Wadeco handled all issues associated with acquisition, agreements, and advertisement through the Foreign Trade Enterprise Polservice which serviced virtually all Polish contracts signed with Libya at this time. On the Polish side, the agreement was signed by the SZPBK [Capital City Association for Communal Facilities Design].

Organizational changes in our economy in the early 1980's, including the elimination of associations, brought about the transformation of the export unit SZPBK into the PUC Wadeco which took over the base of the former association in export work. The latter includes undertakings such as developing a regional plan for Tripolitania, updating the plans of 11 Libyan cities,

the already mentioned master plan of the sewer system in Tripoli, and compiling inventory maps for five new hospitals.

At present, drawing up a general development plan for the region of the Gulf of Great Sidra is the largest Wadeco contract with a Libyan partner. The region is of tremendous strategic significance for Libya because extensive oil pools are found in this area and, in addition, it is exactly through here that "the great river" will run. About 100 of our specialists involved in design and geodetic work are staying at the most significant cities of the region, Miarata and Sirte.

Cooperation between the Wadeco and the Libyan enterprise Engineering Consulting Office for Utilities is also developing well. The agreements signed involve engineering work associated with the development of cities such as Tripoli, Homs, Baida, Zawla, Zuara, Beni Walid, Jefren, and El March. Within the framework of these contracts, groups consisting of geodesists, road construction specialists, and architects are set up which handle the development of projects for the current needs of the cities and the region. Among other things, Polish specialists have facilitated the preservation of the structure of the old city in Zuara.

In addition, the Wadeco operates a glass plant in Swanj employing workers from Polish plants and prefabricated elements plants in the outskirts of Tripoli. The first of the facilities mentioned was built 4 years ago by a Belgian company, and the second operates under a Danish license. In this case, we also do modernization work at the plant in addition to its current operation.

The PUC Wadeco also does much work in the field of urban engineering, including many projects with the participation of foreign capital. Still, contracts with Libya amount to a substantial share of the sales of the enterprise which range between \$6 and \$8 million annually.

Most contracts are settled for on the basis of the provisions of the central bank agreement. An enterprise settles with its employees partly in the local currency (about 25 percent of the remuneration). The remaining share is paid in dollars. The fact that the provisions of resolution 177/88 of the Council of Ministers dated 3 November 1988 on the forced conversion of 10 percent of the remuneration into Polish zlotys at the official rate remain in effect is causing much doubt and, in part, also dissatisfaction among the employees of the Wadeco in Libya. Actually, it means a reduction in the earnings of "contract workers."

The BRK Geopol is one of the smallest Polish enterprises operating in the Libyan market. Unlike the Wadeco and the Geokart, it has not become independent; it continues to act with regard to its Libyan partner as a general contractor working for the Polservice with which it has had a commission contract since 1987. Among other things, the contract regulates the issues of acquisition and sets the guidelines for financing.

The Geopol came to the Libyan market in early 1981. Basically, the work performed involves two kinds of services, geological engineering services and well drilling. The first kind involves drilling for construction projects in the course of which the so-called indicators of strength of the ground are calculated. Laboratory research is also done, and contractor documentation is prepared. The second segment of the services provided involves primarily the drilling of water wells.

Geological research in conjunction with the eastern segment of "the great river" may be mentioned as the most significant geological-engineering project recently carried out which is highly praised by the client. In addition, various geotechnical surveys are done for Turkish, Yugoslav, Greek, Romanian, and Bulgarian clients and local consulting companies.

The drilling of water wells represents a sphere of operations of the Polish enterprise in which greater benefits can be secured than has been the case thus far. However, this depends on the number of available drilling rigs. As of now, the Geopol has only two such pieces of equipment. Probably, a third drilling rig will be commissioned soon. However, this is still not enough compared to the demand. It is also necessary to import pipes and filters for hard currency. At the same time, securing funds for such purchases amounts to a quite significant barrier for the development of the Geopol due to the current procedures for settlement with the Polservice in keeping with which each contract is settled for separately.

It appears that ultimately it would be considerably more advantageous for both sides to switch to a more aggregated system of settlements. This would make it possible to extend operations to a new field—the drilling of cathode wells for oil companies. This is a technique aimed at preventing the corrosion of oil pipelines. This is done by the Italian company Bonetti which gives the Polish enterprise subcontracts for drilling special holes.

The Enterprise for Exporting Geodetic and Mapping Services Geokart is one of the companies active in the Libyan market. It employs about 60 people, and its trade with Libyan partners this year will amount to about US \$2 million. The guidelines for settling on some contracts are set forth in the agreed-upon provisions of the bank agreement. The guidelines for settling on contracts in which the Geokart acts as a subcontractor are different. The forms of settlement with the employees working in Libya approximate those applying in the PUC Wadeco.

Initially, this company operated as a general contractor represented by the Polservice. The first contract amounted to a work agreement and involved designing about 5,000 kilometers of rural roads all over Libya. The Geokart gradually secured full import and export rights for geodetic and mapping enterprises. There are about 20 of them in Poland.

A contract for setting up a leveling-gravimetric net in the territory of Libya and preparing maps of different scales, as well as updating the maps of Tripoli, Tahura, and

Janzur, and consulting studies for the ceramics industry are among the most important undertakings. Work done in conjunction with carrying out the "great river" project is very important. In addition, the Geokart performs gravimetric and leveling operations for oil companies within the framework of a joint venture with the company Robertson Research. This contract is all the more important because cooperation between enterprises from the socialist countries and companies operating in the oil industry is rare.

Changes in the political environment in Libya in recent months and the great capacity of this market favor the development of Polish-Libyan cooperation. This is also confirmed by the development plans of Libya for the immediate future. If they are going to be fulfilled that country will have every opportunity to retain its leading position among our economic partners in the developing countries.

### ZYCIE GOSPODARCZE 'Briefs' Columns

90EP0170A Warsaw ZYCIE GOSPODARCZE in  
Polish Nos 44-48, 29 Oct-26 Nov 89 p 2

[Excerpts from a weekly news roundup column: "Last Week"]

[No 44, 29 Oct 89 p 2]

[Excerpts]

### In Poland

[Passage omitted] Recently, activists of the Confederation for an Independent Poland have made numerous demands of the authorities, including their own building in the center of Warsaw, a high-circulation daily, a low-interest loan from the National Bank of Poland of several billion zloty, and the installation of telephones in the apartments of their leading activists. To exert pressure in support of their demands, the activists of the Confederation for an Independent Poland have begun illegally occupying facilities belonging to various institutions. A decision was made to remove them from the occupied buildings. There was no need for the direct use of force (from a declaration of the government Press Office).

Two proposed laws—against monopoly practices and on employment—were the subject of the meeting of the Economics Committee of the Council of Ministers on 21 October 1989. The fight with monopolies is to be separated out and put under a central antimonopoly office of the Council of Ministers and its district agencies. The body would have broad powers: ranging from canceling monopoly agreements to reducing prices, to investigating the justifications for combining economic units or forming new ones, and after a decision of imposing financial sanctions of up to 15 percent of the enterprise's income. The proposed law on employment is associated with the possible appearance of unemployment.



On 23 October 1989, official prices for domestic pharmaceutical products were increased by an average of 100 percent. Prices for drugs that include alcohol, sugar, or herbs increased the most. Work on changing the current rules for payment for drugs in order to make them uniform is currently under way. [passage omitted]

It is anticipated that during the first 10 days of November the Central Office of Statistics will publish information on the level of wages in the material sphere and initiate a one-time delayed payment bringing the average wages in the health service to the level of 97 percent of the average wage in the material sphere for the third quarter. Also in November, there will be an increase in wages beginning on 1 October 1989 to a level ensuring the planned 97 percent relation during the fourth quarter.

After a change in the customs regulations, private importers, instead of vodka, cars, and spare car parts, are importing large quantities of wine, champagne, coffee, cigarettes, and razor blades. The recent record holders declared 18 tons of coffee, 3,400 kg of cigarettes, and a half million razor blades.

The Council of Ministers has decided that 3.696 million zloty annually is exempt from the equalization tax. That is 308,000 zloty monthly. (The decree is to apply to the equalization tax on incomes beginning 1 January 1988.) [passage omitted]

#### Abroad

[Passage omitted] Nikolay Ryzhkov, premier of the USSR, presented the basic outline for further economic reforms as a package of laws on ownership, leasing, entrepreneurship, and taxes to the Supreme Soviet. The laws are to create uniform conditions for operations and development of different forms of ownership. The premier stated that as long as 90 percent of the means of production are in the hands of one owner—the state—all talk about development of a market will be useless. Under the new law, various forms of social and citizen ownership will be permitted, but exploitation of one man by another will be excluded. State ownership will be divided into several categories: republic ownership, covering about 70 percent of the national assets, republic-union, and all-union. [passage omitted]

Ivica Raczan, the member of the Presidium of the LCY Central Committee in charge of preparation of the theses for the upcoming party congress, said after one of the recent meetings of the Presidium: "We support a market and ownership pluralism, strengthening the federal order and equal rights, political pluralism and confirmation of civil rights, and for building a democratic state based on laws." The activist from Croatia, however, added: "We do not agree that political pluralism reduces exclusively to a single form understood as a multiparty system." [passage omitted]

The Banco de Mexico has announced that inflation in Mexico in September 1989 was 1 percent and now is

17.3 percent on an annual basis. In 1988, it was 51 percent; in 1987, 160 percent. A halt in the price increases was achieved thanks to the anti-inflation program agreed to by the government, employers, and trade unions in December 1987. It called for a radical cut in budget expenditures and wage and price controls.

The PRC State Statistical Office has announced stable prices will be maintained for food to the end of 1989.

[No 45, 5 Nov 89 p 2]

[Excerpts]

#### In Poland

On 30 October 1989, the Sejm met. The subject of the deliberations was changes in the budget law for 1989 ([passage omitted]) and a proposed revision in the law on courts.

The National Union of Farmers and Agricultural Circles and Organizations asked Premier T. Mazowiecki to accelerate the establishment of new minimal guaranteed prices for purchases of basic agricultural products beginning 1 October 1989. The prices set on 1 August 1989 no longer guarantee, in the opinion of the union, equality of incomes for working and farming people.

On 28 October 1989, the founding meeting of the Christian-National Association was held. Nearly 300 individuals representing various Christian nationalist groups from all over Poland participated. The meeting adopted a program and a charter for the new party and also elected a main council, a main board, and an association court. Prof Wieslaw Chrzanowski was elected chairman of the Main Board. [passage omitted]

Several hundred individuals residing in Szczecin, Koszalin, Gorzow, and Pila Voivodships picked up applications to emigrate to the GDR. Most are young people, workers and intellectuals. They are interested in opportunities for work, working conditions, and receiving housing.

On 27 October 1989, a two-day session of the Committee of Foreign Ministers of the Member States of the Warsaw Pact which included, for the first time, the members of the governments of these states responsible for foreign economic cooperation was held. Minister Marcin Swiecicki commented that the meeting showed that everyone has had enough of trade in the old style—exchange of goods for goods, no opportunity for earmarking surpluses in trade with one country for trade with another, regulating the great majority of the turnover through governments. The second subject of the talks was a common market. [passage omitted]

On 27 October 1989, official agreements for cooperation between Dusseldorf, the capital of North Rhine-Westphalia, and Warsaw was signed. The agreement includes exchange of specialists, youth, and all types of help in the organization of city management.



On 27 October 1989, an application to register the Union of the Homeless was filed with the Voivodship Court in Warsaw. The organizers intend to conduct economic activities, provide advice, and seek building sites for poor families. A Foundation for the Homeless is also to be formed.

#### Abroad

"Criticism of the CEMA is fully justified," said Deputy Premier Leszek Balcerowicz after the conclusion of the 132nd meeting of the CEMA Executive Committee. During the deliberations in Moscow a proposal "Principles for a Comprehensive Conception for the Transformation of the Mechanisms for Multilateral Cooperation, Socialist Integration, and Operation of the CEMA" and a plan for operations through 1995 were discussed. Whether and when a uniform market (including convertible currencies), a credit market, and a system of prices corresponding to world prices will be created were also discussed; discussion of these topics continues. L. Balcerowicz also held talks with Soviet politicians on the structure and terms of trade. Polish proposals include maintaining supplies of Soviet raw materials at unchanged levels for the next five-year period, terms for paying Poland's debt no worse than those obtained from the Club of Paris, and bringing the trade mechanisms closer to market principles. [passage omitted]

The Charity Bank has been founded in Moscow. It will provide loans and finance social programs. The funds for these purposes are to come from payments from institutions, religious associations, private individuals both in the Soviet Union and from abroad. [passage omitted]

Mikhail Gorbachev visited Finland. He confirmed the neutrality of that state, which was considered the most important aspect of the trip. During his visit, the secretary general of the CPSU Central Committee proposed to the leaders of the states a meeting in Helsinki in 1992 modelled on the one of 1975. The result of the visit will lead to an agreement on confidence measures for the seas of the northern part of Europe and reports on accidents on ships and also an ecological agreement.

"Japan has agreed to shift payments of Poland's debts," the AP reported, citing an anonymous source in the Tokyo Ministry of Foreign Affairs. Polish obligations to Japan amount to 56.3 billion Yen (\$396.5 million). [passage omitted]

[No 46, 12 Nov 89 p 2]

[Excerpts]

#### In Poland

On 6 November 1989, the Council of Ministers met under the chairmanship of Premier Tadeusz Mazowiecki. They discussed wage policy for the rest of 1989. They examined ways to counteract the effects of the decline in hard coal production and ways to stabilize the market for liquid fuels. As regards the last issue, they

decided, among other things, that the price of oil will be set by the Ciech Import-Export Agency—following changes in the exchange rates for convertible-currencies. Also gradually—and not by leaps and bounds as has been the case—retail prices for gasoline and diesel fuel will rise. [passage omitted]

Members of the Torun Social Democratic Initiative, which derives from the ranks of the "horizontal agreements" of the PZPR in 1981, have spoken out against replacing the social welfare with charity work. Their published declaration says, among other things, that the state, in addition to conducting a just incomes policy for pensions and retirements should stimulate production of cheap food, cheap clothing, and cheap soaps and health products, etc. [passage omitted]

The Temporary Initiative Group of Functionaries of the Citizens' Militia from Elblag Voivodship has asked the president of the People's Republic of Poland, the premier and the minister of internal affairs to examine, among other things, the selection criteria for candidates for service (such as, worldview, organizational membership, a prohibition on contacts with the West), to introduce civilian positions in place of militia positions in services not directly associated with prevention and detection of crimes, and to make such changes in the structure of the ministry that will make it possible to concentrate forces and resources on fighting crime. The declaration was signed by 436 functionaries.

The Commission for Legislative Initiatives and Work of the Senate at its meeting on 4 November during its discussions of changes in the organization and operation of cooperatives expressed its support for the government's efforts. It decided, however, that from the legal point of view it is essential to ensure the agreement of the regulations being prepared with the generally accepted rules for the cooperative movement and especially with the principle of self-management and freedom of association.

According to data for 30 June 1989 there are 37.854 million Poles. For every 100 men there are 105 women. More than 23 million people live in cities. In 1988, 588,000 children were born; more than 18,000 fewer than in 1987 and 134,000 fewer than the record year of 1983. In 1989, the rate of population growth was 0.51 percent, the lowest since the war. Nevertheless, Poland is third in Europe behind the Soviet Union and Romania.

#### Abroad

The EEC Commission has announced significantly eased access for Polish and Hungarian goods to the EEC market, especially for agricultural goods (reductions in customs rates). The Commission has also recommended giving Poland and Hungary general trade preferences which the developing countries have had in the Common Market since 1971. [passage omitted]

The USSR Supreme Soviet adopted the state budget for 1990 with 367 votes against. The budget includes a

deficit of 60 billion rubles. Expenses for defense were reduced from 77.3 billion rubles in 1989 to 70.9 billion in 1990. The proposed investments were also seriously reduced. The Supreme Soviet, however, opposed a 10 percent reduction in the subsidy for TASS, Novosti, and radio and television; it also opposed proposed price increases for cigarettes, beer, and luxury articles. [passage omitted]

The Vietnamese press had started a campaign against private owners of credit partnerships formed during the wave of liberalization in the economy of the SRV. The partnerships also borrow resources needed for their operations from individuals with large savings, offering a significantly higher interest rate (15-30 percent) than the state savings bank (5-7 percent). Taking advantage of the market shortages, they quickly enrich themselves after which the owners escape abroad with their entire fortune.

[No 47, 19 Nov 89 p 2]

[Excerpts]

#### In Poland

On 13 November 1989, the Council of Ministers met under the chairmanship of Premier Tadeusz Mazowiecki. It adopted a proposed change in the executive administrative procedures and a law on tax obligations. The revision of the current regulations will permit disciplining taxpayers, units of the socialized economy. The proposed law on executive administrative procedures calls for, among other things, a move to a uniform set of principles for the collection of tax obligations and other monetary obligations from all economic units. [passage omitted]

Beginning 12 November 1989, the price of gasoline increased; for ethylene 94 from 750 zloty per liter to 850 zloty, for ethylene 86 from 700 zloty per liter to 800, for diesel fuel from 550 zloty per liter to 650 zloty.

On 11 November 1989, the Second Congress of the Polish Peasant Party was held in Warsaw. Gen Franciszek Kaminski was elected president. Hanna Chorozyzna was elected chairwoman of the Main Council of the Peasant Party. On the same day, the congress of the Federation of Peasant Parties PSL and PSL Solidarity was held in Warsaw. Jacek Szymanderski, the spokesman for the Temporary National Council of the NSZZ Solidarity for Individual Farmers, declared to a PAP correspondent that none of these congresses was a congress of PSL Solidarity, which was organized and is supported by the National Council.

On 11 November 1989, Independence Day, which was restored after many years, was celebrated throughout Poland. The 71st anniversary of the regaining of independence was honored by numerous patriotic demonstrations. Masses for the homeland were held in many churches.

The opinion of the working group on the construction of the nuclear power plant Zarnowiec formed by the Economics Committee of the Council of Ministers two weeks ago and the initial plans for the breakup of the concentration in the meat industry were the basic topics of the meeting of the Economics Committee on 9 November 1989. As regards the first issue, the working group split evenly between supporting the continuation of construction and calling for stopping construction. As regards the second, a working group was formed that is, among other things, to select the groups of enterprises to be divided within the next month. [passage omitted]

On 8 November 1989, the final meeting of the PRON National Council was held in Warsaw. It adopted a resolution ending the group's operations. [passage omitted]

#### Abroad

[Passage omitted] After the devaluation of the ruble on 1 November 1989, sales of convertible currency to state enterprises at public auctions were begun. At the first auction, \$50 million were available. [passage omitted]

THE GUARDIAN reported that the British branch of Ford has begun secret negotiations to construct an automobile engine factory in Poland at a cost of \$500 million pounds.

In Budapest, a conference of deputy premiers and the foreign ministers of Austria, Yugoslavia, Hungary, and Italy was held to discuss cooperation in Central Europe. The quadrilateral cooperation would include economic, scientific and technical, environmental protection, education, tourism, and culture. [passage omitted]

In Yugoslavia, a commercial paper market has been organized. It is one of the moves included in the program of economic reforms. Under the supervision of the Yugoslav Banking Association, 106 banks will participate in its transactions. The market begins operations on 31 December 1989. Initially, transactions will involve bank certificates. The range of market operation will gradually broaden.

The plenum of the CPC Central Committee adopted a resolution on "the further improvement of the economic environment, restoring order and deepening the reform" over the next three years. [passage omitted] The resolution emphasizes the need to strengthen the leadership of the party over the course of the reform.

Wang Zhongming, the director of the department for private business in the management of industry of trade, announced that the government of China intends to carry out "a fundamental regulation" of the private sector, which should play a supplementary role to the state sector. The number of private enterprises has already declined from 14.5 million at the end of 1988 to 12.3 million.

[No 48, 26 Nov 89 p 2]

[Excerpts]

**In Poland**

[Passage omitted] Premier Tadeusz Mazowiecki has named the Legislative Council for the next three-year term. Among the 49 members are outstanding lawyers representing all areas of the law who hold various political views. Prof Zbigniew Radwanski was named chairman.

Beginning 1 December 1989, the Polish Savings Bank is increasing its interest rates on time deposits: three-year and apartment accounts systematically increased over at least five years, from 96 percent to 171 percent; two-year accounts and advance payments for automobiles for which the purchase year has been set for 1988-89, from 90 percent to 162 percent; annual and advance payment with a purchase year set for 1987 or earlier, from 87 percent to 156 percent; six-month accounts, from 72 to 117 percent. [passage omitted]

Of the respondents to a survey by the Public Opinion Research Center of Polish Radio and Television asked on 6 and 7 November 1989 whether construction of the nuclear power plant in Zarnowiec should be continued, 55 percent said the investment should be halted, 22 percent continued, 23 percent had no opinion.

On 14-18 November 1989, at the request of the British government a delegation of British experts held talks with the following ministers, among other individuals: Witold Trzeciakowski, Aleksandr Paszynski, Jerzy Osiatynski to study further ways to use resources for advisory and training help for Poland provided as part of the Know-How Fund which Premier Margaret Thatcher announced in June 1989. The fund received 25 million pounds over five years. The members of the delegation intend to recommend to their government financing advice on reprivatizing Polish enterprises, creating a commercial paper market, financial law, banking, and accounting.

The miners have supported the Premier's appeal for work on Saturday. On 18 November 1989, production increased by 116 tons of coal and amounted to 415,800 tons. More than 148,000 individuals worked in the mines or 73.3 percent of those who worked on Friday.

Beginning 19 November 1989 a liter of 94 octane gasoline costs 950 zloty, 86 octane 900 zloty, and diesel fuel 750 zloty. The previous prices were 100 zloty lower and held for only a week.

On 18-19 November 1989, the Second Gdansk Congress of Liberals met. They formed the National Congress of Liberals with its national center in Warsaw and Gdansk. After this first step toward forming a political party, a founding congress is to be held later in 1989.

Beginning 1 October 1989, the lowest retirement is 102,000 zloty and the lowest home-care allowance is 30,600 zloty.

On 16-17 November 1989, the Sejm met. It adopted a law on the detailed rules for planning ([passage omitted]). It also elected new members of the Constitutional Tribunal: Antoni Filcek, Prof Andrzej Zoll, Prof Tomasz Dybowski, Prof Wojciech Laczowski, Prof Janina Zakrzewska. Prof Mieczyslaw Tyczek was elected chairman of the Tribunal. [passage omitted]

**Abroad**

[Passage omitted] The heads of state and government and the foreign ministers of the EEC countries, meeting informally in Paris to consider East-West relations, agreed to the formation of "a European development bank for the East," which is to finance investments in the reforming countries of Eastern Europe, including the USSR. The bank is to operate on principles similar to those of the European Investment Bank within the EEC. Further, the conference in Paris approved a proposal to form a stabilization fund for the Polish zloty of \$1 billion and an EEC fund to finance training for specialists and to open participation in some West European research programs to the East European countries.

Unconfirmed official reports have appeared in the Japanese press that Japan is prepared to contribute \$200 million (a sum equal to the contribution of the United States) to the stabilization fund for the zloty and also to provide aid to Poland and Hungary as part of the special Official Development Aid program for developing countries.

In Moscow, there was a three-day all-union conference to develop a more radical economic-reform program. The goal is to "destatize" social ownership and to vary its forms and to permit competition among them, to abandon the distributive functions of the state, to base economic activity on market principles, and to base the regulative functions of the state on indirect instruments.

On 11 November 1989 in Washington, there was a session of the American-Soviet Mixed Commission for Trade Cooperation which was regarded as "a new step toward improving mutual relations." Robert Mosbacher, secretary of commerce, said after the session that the United States intends to change its position on the observance of human rights, free emigration, and national security. In particular, the United States intends to ease controls on exports of goods with strategic significance. Unofficially, it was reported that the United States intends to grant the Soviet Union MFN status after it adopts a law on emigration, which is to happen soon. In Washington, it is still believed that the USSR cannot become a member of GATT prior to a shift to a market system. [passage omitted]

### Swiss Pharmaceutical Firm Production Set for 1991

90EP0217B Warsaw ZYCIE WARSZAWY in Polish  
9 Nov 89 p 3

[Article by (ewd): "Medicines From Solco in 1991"]

[Text] The Swiss pharmaceutical firm Solco-Basel, with its headquarters in Brazil, was the first in 1987 to initiate the construction of a modern pharmaceuticals factory in Warsaw. The cost of this investment is set at \$20 million. The first medicines will be on our market within 2 years.

Initially Solco will produce Solcoseryl, a medication to treat wounds and burns. The targeted goal for production is 16 million tubes, and approximately 30 million pieces annually in the form of ointments and ampules. This preparation is a nonprotein dialysate of calves' blood. It hastens the absorption of oxygen and glucose by the organism's cells. It causes wounds to heal considerably faster. Regeneration of the tissues follows. The Solco representation in Warsaw, which is headed by Dr Piotr Buechner, is often asked why the first foreign pharmaceuticals factory in Poland does not plan to produce those patent medicines that we need the most, e.g., antibiotics and heart ailment preparations. The answer is simple. Solco will manufacture in Warsaw that which it produces in its branch factories in Switzerland, the FRG, Austria and Japan. Nonetheless, in addition to its own production, the possibility of rendering services for Cefarm, manufacturing those medicines, e.g., for the production of which we would import the raw materials, is already anticipated.

On 9 November, at Warsaw's Hotel Viktoria, a scientific symposium organized by Solco-Basel regarding the properties of such products as Solcoseryl will begin.

### Sejm Deputies Offer Antimonopoly Counterproposal

90EP0217A Warsaw ZYCIE WARSZAWY in Polish  
8 Nov 89 p 3

[Article by Hubert Izdebski, Andrzej Sopocko, and Henryk Szleifer: "Who Will Control Monopolies?"]

[Excerpt] [Passage omitted] The government draft for modifying the law on countering monopolistic practices is imbued with an optimism that is very moderate. The best part of it concerns legal measures for combating monopolistic practices themselves. This fragment was prepared 6 months ago by the Social Council for Combating Monopolistic Practices Affairs, and was in need of only a few revisions during the procedure for obtaining approval of the government draft. Perhaps the regular spoilers have simply not had enough time. With regard to the concept of the antimonopoly organ itself, however, the situation is less fortunate, since the new version of the concept continues to be too pale and slender to meet the needs of the tasks that await.

The current proposal sets up this organ as an office directed and appointed by the premier. Fortunately, the idea of entrusting tasks in the sphere of demonopolization to one of the branch-subbranch ministries did not come to fruition. Their tendencies toward demonopolization (in conjunction with the minister of the domestic market) are, to put it mildly, limited. In spite of this, the proposed setup of placing the implementation of demonopolization policy (which is key for the government) and the development of competition in the hands of the highest official (for he issues specific orders and permissions) is too low, even lower than it had been until now.

According to the law still in existence, the minister of finance is the antimonopoly official, and his first deputy actually deals with matters of monopolization. Thus, both formally and in fact they are run from a very high position. This is especially evident now when the minister of finance has become the most important figure in the pantheon of economic decisionmakers (after the model of countries which pass for normal and affluent). Unfortunately, in this case, too much good luck has made for some bad luck. The minister of finance is terribly overburdened. Budget management itself, negotiations on debts and foreign aid, bargaining on tax reductions and subsidies and heated battles over budgetary stability—all of these are enough for one organ even in a stable system. And we are faced with the Herculean task of urgently reforming the entire financial system and with the lamentable situation of the state purse. Moreover, let us keep in mind that every corrective in the financial system is a change in the basic parameters of the operation of enterprises. On these depend our economic stability and the social motivation underlying our work.

Overburdening has a negative impact upon the quality of decisionmaking. Under the present circumstances, this organ can be unburdened only by a transfer of powers in the area of prices and monopolies elsewhere. Moreover, there is a very simple logic in this. The Ministry of Finance deals with the generation of state income and outlays and with the definition of rules of the economic game. Meanwhile, the market shapes prices and relations between enterprises. Thus, let someone else deal with the market, with overseeing its proper operation, with battling pathologies in the form of monopolistic practices and with the use of inevitable intervention into product pricing, which the market is not in a very good position to shape, or which, perhaps, it should not shape (gas, coal).

This is the path taken by the deputies' counterproposal for an antimonopoly organ (J. Dyner and W. Modzelewski). This counterproposal is worthy of further note since the authors manifest in it two very rare types of qualifications: an understanding of the economic decisionmaking mechanism of the central government and an understanding of the legal system.

By comparison with the government draft, this draft differs on the following issues:

- Added to the powers of the new organ is price control.
- An Office of the Minister for Competition and Demopolization Affairs replaces the flimsy institution of the Central Antimonopoly Office.
- An autonomous social council is created to assess antimonopoly policy (the premier nominates the members after polling opinions from the appropriate Sejm commission).
- In accordance with the good tradition of defining the powers of a government organ in a separate law, in this draft the entries on the anti-monopoly organ are treated in a separate legal document.

The plan to create yet another ministry may arouse the greatest reservations, even though these are certainly unjustified. It is not a question of expense. The discussion of what costs more, a central office or a ministry, calls to mind the well-known question: what is heavier, a kilo of wheat or a kilo of ground grain? On the other hand, if a minister directs the organ in question, legally he participates in the heart of the economic decisionmaking process that is KERM [Economic Committee of the Council of Ministers], or the Council of Ministers itself. Thereby, on the one hand he controls and on the other hand he inspires other ministers in the direction of the development of competition. For besides the combating of monopolistic practices there is still the entire field of development of a well-functioning market. This is served by the taxation and credit system, which supports small and new enterprises, the tariff policy and the facilitating of concessions for foreign firms in fields threatened by excessive concentration and the like. Where would a prospective director of the central office run with this? Anyone who would expect him to be replaced by the premier on an ongoing basis has an extremely naive impression about his time reserves.

The deputies' draft correctly requires social control over government actions in the sphere of monopolies and competition. The practice of many countries largely shows that governments have a special weakness for large enterprises and, what is worse, since they have a professional apparatus at their disposal, they can even deceive deputies. For this reason, parliaments fund their own, permanently operating teams of experts (in the FRG, France and Sweden) for these affairs. Incidentally, it is a shame that the deputies' draft did not go this far, leaving decisions concerning the makeup of the social council to the premier. If this were a commission that operated directly within the parliament, the roundtable decisions (placing the antimonopoly organ outside the government) would have been implemented, at least to some minimal degree. In the government draft, the memory of these decisions totally evaporated (and this was a proposal made by the opposition).

In conclusion, we should mention something that seems to be trifling, but touches in essence a fundamental principle of the law, i.e., stability. And so, the government may change and may be organized in different ways, but enterprises and citizens should function in a system that

endures above all. The scope of operation and the powers of the traffic police can change frequently, but the traffic code cannot be changed continually. Thus, let the law countering monopolistic practices be a separate legal document from the law on the antimonopoly organ.

### **Lumber Prices: 'Marketization' To Begin in January 1990**

90EP0209B Warsaw TRYBUNA LUDU in Polish  
4-5 Nov 89 p 2

[Text] (PAP) For a long time foresters have been trying to get lumber prices to reflect the costs borne by the State Forests and bring them closer to those in effect on the open market. In the opinion of the management of the State Forests, this would improve the situation on the market and eliminate lumber speculation.

For now, the proposals of the foresters and lumbermen have been dealt with in half-measures. In order to improve the profitability of an enterprise, price rises can be controlled when the maximum percentage of increase is determined. The new prices of sawmill timber, which have been in effect since mid-October, are 140 percent higher than before (let us recall that the previous price increase occurred in August and was over 40 percent). Lumber used in the production of paper, i.e., pulpwood, rose to a much lesser degree—40 percent.

But if the present prices of sawmill timber are satisfactory, pulpwood prices do not reflect costs. This will change only when the promise that lumber prices will be marketized is kept, which is supposed to happen in January of next year.

### **Publishing Cooperative Director on Subsidies, Patronage Issues**

90EP0210A Warsaw TRYBUNA LUDU in Polish  
6 Nov 89 p 3

[Interview with Slawomir Tabkowski, president of Prasa-Ksiazka-Ruch Workers' Cooperative Publishing House, by Marek Rudnicki: "I Am a Pragmatist"; date and place not given; first paragraph is TRYBUNA LUDU introduction]

[Text] Shortly after being chosen, Slawomir Tabkowski talked with a TRYBUNA LUDU (TL) journalist and PAP.

[TRYBUNA LUDU] Congratulations from TL!

[Tabkowski] Thank you very much.

[TRYBUNA LUDU] Since a new president has been chosen, that means that, contrary to gossip, Ksiazka-Prasa-Ruch (RSW) will not cease to exist.

[Tabkowski] It will still exist, but it will be changed. There are cases where a new head of an institution comes on the scene in order to change it even basically. I did not come here for a cushy job but to fulfill the task that the Politburo entrusted to me.

[TRYBUNA LUDU] Are the qualifications of a director of a CC department adequate to manage such a large concern?

[Tabkowski] My resume does not begin with my work in the CC. I am a graduate of Jagiellonian University. My major was sociology. I have a doctorate in liberal arts and also wrote a dissertation on sociology. But it must also be told that I worked for 13 ½ years in RSW, initially as editor in chief in the National Workers' Press Agency branch in Krakow, and then for 5 years as chief editor of GAZETA KRAKOWSKA. I have really been in this firm without interruption, because I was put on leave for my work in the CC.

[TRYBUNA LUDU] RSW is also, and who knows if not primarily, an economic activity.

[Tabkowski] During my work as editor I called as much attention to the planning aspects as I did to the economic situation. I felt that it is not possible to live calmly and happily from subsidies. Therefore, I sought, and found, possibilities, thanks to which these firms could be economically prosperous. And I did this at a time when not very many people called attention to this.

I always tried to be—and will continue to be in RSW—an organizer of group work, utilizing the skills of specialists from various fields.

[TRYBUNA LUDU] But isn't it frightening to walk into such an entanglement of complicated circumstances, the bad financial condition, of market laws? In view of all of this, can one be an optimist at all?

[Tabkowski] If I were not an optimist, if I did not have a clearly defined concept of the future and the will to put it into effect, I simply would not have come here. In any case, it seems to me that there is no problem that cannot be solved. Naturally, in addition to this will, and intellectual reflection, money is needed.

[TRYBUNA LUDU] Therefore, what kind of changes will you make?

[Tabkowski] First of all, comprehensive changes in all areas of RSW's activities. I would like all employees at all levels of the cooperative to take an active part in these changes. What we are talking about, therefore, are joint changes, not changes imposed from above.

Their effect must be provable. In the kiosk which is open. In the editorial office, in which personal initiative is reflected in economic results. And finally in the printing plants, which will solve all kinds of organizational problems. No reforms are easy, therefore certain tensions will arise.

[TRYBUNA LUDU] They have already arisen. The journalists employed in RSW feel threatened...

[Tabkowski] There is no reason for that. First, because the changes planned in the titles-offer proposed by the cooperative include protection for the journalists. And if titles

have to be combined, some of them eliminated, the frequency or size of the publication reduced, then, I believe, the journalist groups will actively accept these changes. Second, no one will be left without a job. Third, I know that the leadership of the SD wants very much to defend the journalists. I think that jointly we will solve this problem. Except that the defense of positions will not come into play. But the profession, certainly.

[TRYBUNA LUDU] But will we have someone for whom to exist when the people are beginning to stop reading newspapers?

[Tabkowski] First we should say why they are stopping...

[TRYBUNA LUDU] Because it is simply too expensive!

[Tabkowski] Oh, but that is a very simple explanation. I believe there are a few other reasons. For example, that the distribution network is bungled and newspapers are not always available. That there are subscription problems. That—forgive me, but I am a journalist and can say this—in a large number of titles time seems to have stopped.

We are in a very difficult situation because the main costs in publishing titles are the raw materials, the paper and the printing, and not the person employed in the editorial office. We even tried to have these prices rise less rapidly than the prices of other products, but... In any case, under a market economy, I think, we can expect the natural process of the disappearance of certain titles and the appearance of others.... That is how it is in the world.

[TRYBUNA LUDU] But after all, RSW fulfilled a patronage function for years. Let us consider, for example, the various cultural clubs. Therefore, the question is this: Can you combine the soul of a "pure" economist with a social worker who comes from the CC with a certain social mission to perform? Maybe one of these "souls" is more important.

[Tabkowski] I would not like to be perceived as a person coming from the party, somehow carrying certain welfare values, or simply as an economist. I would like to be perceived as a pragmatist, a person who recognizes necessity, will not believe in fiction and will try to create realistic conditions for patronage.

In order to maintain this patronage, there must be money. Without cutting myself off from it in the future, I have to say that it will be greatly reduced. Second, we must realize that the patronage exercised by RSW in the past ensued from another position of the party in the state than we now have. The present situation is different. Third, I would like to add maliciously that in past critical discussions and writings on the subject of RSW, no one was kind enough to notice precisely this kind of activity. The one-sidedness of the comments on this subject is alarming. It is regrettable that this was not taken note of.

[TRYBUNA LUDU] In conclusion, one more thing: Authorization of this text.

[Tabkowski] No... Let us not exaggerate. I talked many times with Western journalists and there was never any mention of anything like that, therefore...

## POLAND

**Demographic Study Notes Increased Infant Mortality Rate**

90EP0211A Warsaw ZYCIE WARSZAWY in Polish  
4-5 Nov 89 pp 1-2

[Article by (HL): "The Lowest Postwar Demographic Increase; Male and Infant Mortality Overly High; Every 10th Pole—Handicapped: Let Us Live Longer and Healthier Lives"]

[Text] The population structure of Poland was formed under the influence of wartime losses and postwar demographic peaks and valleys. This structure is not a favorable one, for successive waves of years of numerous births are intertwined with years of few births, a phenomenon that renders very difficult the work of planning and the preparation of appropriate numbers of places in schools, preschools and the workplace.

Right now there exists the opportunity for our entering a phase of more evenly balanced population growth. Demographers foresee for the years in our immediate future a dominant family model including two or three children, assuring an arithmetical reproduction of the population.

Studies conducted since 1975 on the attitude of parents indicate that this model is the most often accepted type of family. Not at all favored is the family type with barely one child or the status of the childless marriage. On the average in Poland, there are two or three births per woman during the childbearing years.

Last year, 588,000 live births were recorded. This is 134,000 fewer than in the record birth year of 1983 (the year preceded 2 years before by the introduction of child care leaves). Last year's natural increase was the lowest, moreover, in the entire postwar period and amounted to barely 5.7 per thousand. That resulted not so much from a low birthrate, since we are hardly among the European countries with the lowest birthrates (only the USSR and Romania have higher birthrates), as from a rate of mortality higher than that for other countries, both for newborns and males in the productive years.

This issue was the subject of a press conference held on 3 November at GUS [Central Office of Statistics] during which prognoses were presented for population growth and also for the health and economic situation of older people.

Our population of 38 million puts us in seventh place among European countries. Our cities are home to 23.26 million (61.4 percent) and rural areas are home to 14.5

million Poles. Boys born this year have the possibility of living an average of 67 years, and females—75.3 years, as long as the lifespan tendencies observed until now hold up.

Our average lifespan of 71 years puts us well behind the most highly developed countries like Sweden or Japan where the average is about 7 years longer and is nearing 80. That is the result of living and working conditions, the level of health care and lifestyle differences.

The issue of premature male mortality in the productive years makes a dramatic picture seen elsewhere only in Hungary, a function of its similar sociopolitical stresses and an economic situation that forces men to take jobs for supplemental earnings accompanied by exhaustion, stress and malnutrition, as well as widespread cigarette smoking and alcohol consumption.

The longevity of Japanese men presents an enigma for demographers, for the Japanese also work hard, scorn vacations and have plenty of stress, although it is of a different type.

We have warning signals in our country about the state of our health. There is a tragic harvest caused by diseases of the circulatory system (cause of more than 52 percent of deaths), neoplastic diseases (about 20 percent) and our continuing social problem of tuberculosis (about 1.2 million people registered in clinics and 18,000 new cases this past year).

Poles also suffer much from nervous disorders and mental health clinics have more than a half-million patients. Among this past year's 153,000 new cases of illness, a majority was composed of nervous disorders.

There is a continuing high rate of infant mortality—16.1 per thousand live births. While a certain improvement has been made in recent years, we are much below the level of developed countries. Disturbing facts, especially in areas of ecological disasters, are the ever increasing rates of children born with congenital defects and low birth weight and the increasing numbers of premature births.

Increasingly there are problems connected with the aging of our society, the increasing percentage of older people requiring medical care and the nearly one-tenth of Poles (9.7 percent) that are somehow disabled. Among people in their 60's, 25 percent are disabled, and among those over 75, 30 percent are disabled.

Thus, demographic forecasts indicate very serious problems and dangers to the health of society. We should also treat them as warning signs in the field of working conditions, since they are doubtless associated with the poor state of health.

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